

City Clerk File No. Ord. 18-132

Agenda No. 3 - E 1st Reading

Agenda No. 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-132

TITLE: ORDINANCE OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, NEW JERSEY, AUTHORIZING THE CONVEYANCE OF PROPERTY AND EXECUTION OF PROJECT AGREEMENTS REGARDING POWERHOUSE REDEVELOPMENT AND AGREEMENTS IN CONNECTION WITH SETTLEMENT OF LITIGATION WITH PORT AUTHORITY AND OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, Jersey City Redevelopment Agency (the "**Agency**") was established as an instrumentality of the City of Jersey City (the "**City**") pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "**Redevelopment Law**") with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, the City previously designated an area within its limits (the "**Hudson Exchange Redevelopment Area**") as an area in need of redevelopment under the predecessor laws to the Redevelopment Law (the "**Predecessor Redevelopment Laws**"); and

WHEREAS, under the Predecessor Redevelopment Laws, the City adopted the "Hudson Exchange Redevelopment Plan", dated November 1983 (as revised as of November 2004 and as thereafter amended, the "**Redevelopment Plan**"), applicable to the Hudson Exchange Redevelopment Area; and

WHEREAS, the City owns, within the Hudson Exchange Redevelopment Area, a parcel designated as Block 11603, Lot 37 on the City's tax maps (the "**City Parcel**"); and

WHEREAS, the Agency owns, within the Hudson Exchange Redevelopment Area, a parcel designated as Block 11603, Lot 38 on the City's tax maps (the "**Agency Parcel**" and, together with the City Parcel, the "**Property**"); and

WHEREAS, the Port Authority of NY/NJ (the "**PA**") and its subsidiary Port Authority Trans-Hudson Corp ("**PATH**") own property in the City, which property is exempt from property taxation under N.J.S.A. 32:1-35.60 and 32:1-144; and

WHEREAS, the City previously entered into various agreements with the PA and PATH in connection with payments in lieu of taxes ("**PILOTS**") each agreed to pay the City for various properties; and

WHEREAS, in 2014, the City filed a complaint in the United States District Court contending that (a) the PA and PATH failed to either pay taxes or enter into PILOT Agreements for certain properties, (b) where the PA entered into PILOT Agreements, the terms of those agreements must be reformed and (c) certain PA properties lost their tax-exempt status because they were leased to non-exempt third parties (the "**Litigation**"); and

WHEREAS, the City, the PA and PATH have agreed to settle the Litigation under terms summarized herein, which terms will be memorialized in certain agreements described herein, including a Settlement Agreement by and among the City, the PA and PATH (the "**Settlement Agreement**"); and

WHEREAS, as part of the settlement of the Litigation, and as set forth in more detail in the Settlement Agreement, (i) the PA and PATH will make certain payments to the City for outstanding PILOTs going back to the 2014 tax year, (ii) the City and the PA will enter into a new PILOT Agreement for properties owned by the PA (the "**PA PILOT Agreement**"), (iii) the City and PATH will enter into a new PILOT Agreement for properties owned by PATH (the "**PATH PILOT Agreement**" and, together with the PA PILOT Agreement, the "**PILOT Agreements**") and (iv) the Litigation will be dismissed; and

WHEREAS, in addition to the foregoing terms, PATH owns a property in the City, Block 11609, Lot 1 (the "**Old PATH Parcel**"), whereon is located a substation providing power for the PATH system (the "**Old PATH Substation**"); and

WHEREAS, PATH desires to make substantial upgrades to its substation facilities; and

WHEREAS, the City, the Agency and PATH will enter into an Agreement for Purchase, Sale and Exchange of Real Property (the "**Property Conveyance Agreement**"), pursuant to which (i) PATH will convey the Old PATH Parcel to the Agency and (ii) the City and Agency will convey to PATH their respective interests in the Property, on which PATH will construct a new substation (the "**New PATH Substation**"); and

WHEREAS, in exchange for the Property, PATH will pay to the Agency \$17,750,000 in 3 equal installments, the proceeds of which the Agency will use, for any lawful purposes, in consultation with the City; and

WHEREAS, PATH will also undertake a study to determine the feasibility of locating an additional PATH station in the Marion area of the City; and

WHEREAS, PATH will continue to use the Old PATH Substation while the New PATH Substation is being constructed and, toward that end, the Agency and PATH will enter into a Lease Agreement (the "**Lease Agreement**"), pursuant to which, after PATH conveys the Old PATH Parcel to the Agency, PATH will lease such parcel back from the Agency for a term of 4 years, with an option for an additional 4 year term, for a nominal rent; and

WHEREAS, during this term, the Agency will maintain and stabilize the Old PATH Parcel against further deterioration using \$1,300,000 previously paid to the City from PATH (the "**Stabilization Funds**") under that certain Memorandum of Understanding, dated May 15, 2008; and

WHEREAS, the Agency may retain any Stabilization Funds not needed to maintain/stabilize the Old PATH Parcel and may use such excess funds for any lawful purposes, in consultation with the City; and

WHEREAS, the City and the Agency will also enter into an easement agreement with PATH (the "**PATH Easement Agreement**"), under which the City and the Agency, as applicable, will grant to PATH (i) unrestricted, permanent access to existing PATH emergency tunnel egress shafts and electrical manholes/vaults, as well as access to certain portions of properties owned by the City and the Agency to enable PATH to perform flood protection and resiliency work for the New PATH Substation (the "**Permanent Easement**") and (ii) limited, temporary access for New PATH Substation construction staging purposes (the "**Temporary Easement**"); and

WHEREAS, after the Lease Agreement expires, a redeveloper to be designated by the Agency (the "Redeveloper") will be required to remove PATH fixtures and personal property from the Old PATH Parcel, including power generation equipment, and such Redeveloper (or, in the alternative, the City or Agency) will be required to conduct environmental remediation thereon and indemnify the PA and PATH for costs associated with such remediation; and

WHEREAS, PATH will contribute \$300,000 toward the cost of such PATH equipment removal; and

WHEREAS, the Agency will ultimately convey the Old PATH Parcel to the Redeveloper for a nominal amount and the Redeveloper will be required to rehabilitate same; and

WHEREAS, the Agency, the City, PATH and the PA will enter into an agreement (the "Future Revenue Agreement") providing that, in the event the City or the Agency enter into a revenue sharing arrangement with the Redeveloper, the City and/or the Agency will be required to split such revenues equally with the PA and PATH; and

WHEREAS, the City desires to (i) approve the (A) settlement of the Litigation on terms consistent with those set forth herein and in the Settlement Agreement and (B) transaction described in the Property Conveyance Agreement, PATH Easement Agreement and Future Revenue Agreement; and (ii) authorize the execution of the Settlement Agreement, the PILOT Agreements, the Property Conveyance Agreement, PATH Easement Agreement and Future Revenue Agreement; and (iii) authorize certain other actions and determinations in connection therewith.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY AS FOLLOWS:

Section 1. The recitals to this ordinance are hereby incorporated as if set forth in full herein.

Section 2. The transaction described in this Ordinance, and in the Property Conveyance Agreement, the PATH Easement Agreement, the Future Revenue Agreement, the Settlement Agreement, the PA PILOT Agreement and the PATH PILOT Agreement, including the settlement and dismissal of the Litigation, and the conveyance, by the City of the City Parcel to PATH, and the grant of the Permanent Easement and Temporary Easement, as applicable, to PATH, is hereby approved.

Section 3 The Mayor and City Clerk are hereby authorized to execute and deliver the: (a) Property Conveyance Agreement, (b) the PATH Easement Agreement, (c) Future Revenue Agreement, (d) Settlement Agreement, (e) PA PILOT Agreement and (f) PATH PILOT Agreement, in each case in substantially the same form as that on file with the City Clerk as of the date hereof, together with any changes, insertions and omissions thereto as such officer deems to be necessary or desirable for the execution thereof, subject to the review and approval of the City's Director of Law.

Section 4. The Mayor and City Clerk are each further authorized to take such actions or refrain from such actions, and to execute and deliver any documents, instruments and/or agreements, between and among the PA, PATH, the City and the Agency, as applicable, necessary to effectuate the transactions described in this Ordinance, subject to the review and approval of the City's Director of Law. Said authorization includes the execution and delivery of (a) any documents or instruments by the City, including a Deed and any and all associated documents or instruments with respect to the City Parcel, as are required to effectuate said sale and property transfer, and (b) any and all documents or instruments necessary to effectuate the dismissal of the Litigation in accordance with the terms of the Settlement Agreement. Any and all actions taken heretofore with respect to the transaction contemplated hereby are ratified and confirmed.

11/01/2018

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET

This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the ordinance.

Full Title of Ordinance/Resolution

ORDINANCE OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, NEW JERSEY, AUTHORIZING THE CONVEYANCE OF PROPERTY AND EXECUTION OF PROJECT AGREEMENTS REGARDING POWERHOUSE REDEVELOPMENT AND AGREEMENTS IN CONNECTION WITH SETTLEMENT OF LITIGATION WITH PORT AUTHORITY AND OTHER DOCUMENTS IN CONNECTION THEREWITH

Initiator


Department/Division	Business Administration	
Name/Title	Brian Platt	Business Administrator
Phone/email	201- 547-5147	BPlatt@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

The purpose of this ordinance is to authorize the conveyance of property and execute of project agreements in connection with settlement of litigation with Port Authority and other documents.

I certify that all the facts presented herein are accurate.



Signature of Department Director



Date

FUTURE REVENUE AGREEMENT

This **FUTURE REVENUE AGREEMENT** (this "Agreement") is effective as of the _____ day of _____, 2018 (the "Effective Date"), by and between the **CITY OF JERSEY CITY**, a municipal corporation in the State of New Jersey, having its offices at 280 Grove Street, Jersey City, New Jersey (the "City"), the **JERSEY CITY REDEVELOPMENT AGENCY**, a redevelopment agency of the City of Jersey City, having its offices located at 30 Montgomery Street, Suite 900, Jersey City, New Jersey (the "JCRA"), and **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (the "Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with an office located at 4 World Trade Center, 150 Greenwich Street, in the City, County and State of New York,. The City, JCRA, and the Port Authority are sometimes individually referred to in this Agreement as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Port Authority and the Port Authority Trans-Hudson Corporation ("PATH"), a wholly owned subsidiary of the Port Authority, transferred to the City ownership of a portion of the Powerhouse Building and property identified on the City tax map as Block 11609, Lot 1 (the "Powerhouse Parcel"); and

WHEREAS, the JCRA expects to designate a party as the "redeveloper" (the "Redeveloper") for the Powerhouse Redevelopment Property (as defined below) under the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*; and

WHEREAS, the JCRA expects to enter into a redevelopment agreement with Redeveloper setting forth the terms and conditions of the redevelopment of the Powerhouse Parcel and property identified on the City tax map as Block 11609, Lot 2 which is owned by the City (the "City Parcel" and together with the Powerhouse Parcel, the "Powerhouse Redevelopment Property"); and

WHEREAS, the City and the JCRA each represent that there is no rental or revenue sharing agreement between a designated redeveloper, on the one hand, and the City or JCRA, on the other hand, in connection with the development of the Powerhouse Redevelopment Property; and

WHEREAS, in order to induce the Port Authority to transfer the Powerhouse Parcel and subject to the terms and conditions of this Agreement, the Parties agree that (i) the Port Authority shall be a party to any agreement in which the Redeveloper will share revenue with the City and/or JCRA generated from development of the Powerhouse Redevelopment Property, and (ii) the Port Authority shall share any such revenues equally with the City or JCRA.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. INCORPORATION OF RECITALS; DEFINITIONS.

1.1 Incorporation by Reference. The recitals set forth above are hereby incorporated herein by reference as if set forth in full in the body of this Agreement.

1.2 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below.

- (a) "Agreement" is defined in the preamble hereto.
- (b) "City" is defined in the preamble to this Agreement and also includes the City's agents and each of its successors, and any entity designated by the City to act on its behalf.
- (c) "JCRA" is defined in the preamble to this Agreement and also includes the JCRA's agents and each of its successors, and any entity designated by the JCRA to act on its behalf.
- (d) "PATH" is defined in the recitals to this Agreement and also includes PATH's agents and each of its successors, and any entity designated by PATH to act on its behalf.
- (e) "Port Authority" is defined in the preamble to this Agreement and also includes the Port Authority's agents and each of its successors, and any entity designated by the Port Authority to act on its behalf.
- (f) "Powerhouse Building" shall mean the building located on property identified on the City tax map as Block 11609, Lot 1 and Lot 2, historically referenced as the Powerhouse Building.
- (g) "Powerhouse Redevelopment Property" is defined in the recitals to this Agreement.
- (h) "Redeveloper" is defined in the preamble to this Agreement and also includes (i) the Redeveloper's employees, agents and each of its successors, and any entity designated by the Redeveloper to act on its behalf and (ii) any other entity that enters into a redevelopment agreement with the City and/or the JCRA concerning the Powerhouse Redevelopment Property.
- (i) "Revenue" shall mean all proceeds, less expenses relating thereto, arising from development of the Powerhouse Redevelopment Property, including but not limited to sale proceeds from the sale of the Powerhouse Redevelopment Property, lease payments from the lease of the Powerhouse Redevelopment Property, rental charges, concession fees, application fees, parking fees, and any other fees or charges that may be collected from tenants or any other entity or person(s) at the Powerhouse Redevelopment Property. "Revenue" shall not include real estate taxes, annual service charges, and/or special assessments, actually incurred and reasonable professional fees, costs and expenses reimbursable to the JCRA pursuant to a Redevelopment Agreement with the Redeveloper or proceeds from any insurance or indemnification policies in favor of the City and/or JCRA.
- (j) "Revenue Agreement" shall mean any agreement in which the Redeveloper shares with the City and/or JCRA Revenue arising from the Powerhouse Redevelopment Property.

II. FUTURE REVENUE SHARING AGREEMENT.

2.1 In the event that (a)(i) the existing Powerhouse Building is demolished or (ii) the Powerhouse Redevelopment Property is developed by construction outside the walls or roof of the Powerhouse Building, and (b) the City or JCRA and Redeveloper enter into a Revenue Agreement, then the City or JCRA, as applicable, shall share such Revenues with the Port Authority as follows: Fifty percent (50%) to the Port Authority and fifty percent (50%) to the City or JCRA.

2.2 The City and/or JCRA will not enter into a Revenue Agreement with Redeveloper with respect to any project constructed on the Powerhouse Redevelopment Property unless the Port Authority is a party to such Revenue Agreement.

2.3 Any Revenue Agreement shall provide that any amount owed to the Port Authority thereunder shall be paid directly by the Redeveloper to the Port Authority.

III. AUTHORITY TO ENTER INTO AGREEMENT.

3.1 The City, the JCRA and the Port Authority hereto represent and warrant to each other that each has full right and authority to enter into this Agreement and that the person signing this Agreement has the requisite authority for such acts.

IV. COOPERATION.

4.1 The City, JCRA and the Port Authority each agree to take such steps as may be reasonably necessary or proper to effectuate the purpose and intent of this Agreement and to preserve its validity and enforceability. In the event that any action or proceeding of any type whatsoever is commenced or prosecuted by any person not a Party hereto to invalidate, interpret, or prevent the validation, enforcement, or carrying out of all or any of the provisions of this Agreement, the Parties mutually agree, represent, warrant, and covenant to cooperate fully, each at their own cost, in opposing such action or proceeding.

V. CONSTRUCTION.

5.1 This Agreement was negotiated among the Parties at arms' length and in good faith, with each Party receiving advice from its respective independent legal counsel. It is the intent of the Parties that no part of the Agreement be construed against any of the Parties hereto because of the identity of the drafter and that no special rules of construction apply to Agreement.

VI. NOTICE.

6.1 Any notice, demand, election or other communication, which the Port Authority, the City or the JCRA shall desire or be required to give pursuant to the provisions of this Agreement (each a "Notice"), shall be sent by registered or certified mail, return receipt requested, or by overnight courier that provides a receipt for delivery and the giving of such Notice shall be deemed complete on the date of delivery to the person intended to be given such Notice at the respective addresses set forth below or to such other address as such Party may theretofore have designated by Notice pursuant to this Article VI:

Port Authority: The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
150 Greenwich Street
New York, New York 10007
Attention: Executive Director

With copy to: The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
150 Greenwich Street
New York, New York 10007
Attention: General Counsel

With copy to: Craig A. Domalewski, Esq.

Dughi, Hewit & Domalewski, P.C.
340 North Avenue
Cranford, New Jersey 07016

City: City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302
Attention: City Clerk

With copy to: Joseph P. Baumann, Jr., Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

JCRA: Jersey City Redevelopment City Agency
30 Montgomery Street, Suite 900
Jersey City, New Jersey 07302
Attention: Executive Director

With copy to: Joseph P. Baumann, Jr., Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

All Notices to be given under this Agreement shall be given in writing in conformance with this Article VI and, unless a certain number of days is specified, within a reasonable time.

VII. HEADINGS.

7.1 Titles and captions contained in this Agreement are inserted only as a matter of convenience and are for reference purposes only. Such titles and captions are in no way intended to define, limit, expand or describe the scope of this Agreement, nor the intent of any provision thereof.

VII. EXECUTION AND DELIVERY.

8.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IX. NON-LIABILITY OF INDIVIDUALS.

9.1 No Commissioner, Director, Councilperson, Mayor, officer, agent or employee of the Port Authority or the City shall be charged personally or held contractually liable by or to any party under any term or provision of this Agreement, or of any other previous agreement, document or instrument executed in connection therewith, or of any supplement, modification or amendment to this Agreement or to such other agreement, document or instrument, or because of any breach or alleged breach thereof, or because of its or their execution or attempted execution.

X. SEVERABILITY.

10.1 If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by Law.

XI. GOVERNING LAW.

11.1 This Agreement and shall be construed in accordance with, and governed by, the applicable laws of the State of New Jersey, without consideration given to choice of law principles.

[Signature Pages to Follow]

[this space intentionally left blank]

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have caused this Future Revenue Agreement to be duly executed as of the date set forth with the signatures below:

THE CITY OF JERSEY CITY

Dated: _____, 2018

By: _____
Name:
Title:

THE JERSEY CITY REDEVELOPMENT AGENCY

Dated: _____, 2018

By: _____
Name:
Title:

THE PORT AUTHORITY OF NEW
YORK AND NEW JERSEY

Dated: _____, 2018

By: _____
Name:
Title:

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as _____ for The Port Authority of New York and New Jersey, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

(City of Jersey City Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as a _____ of the City of Jersey City and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

(Jersey City Redevelopment Agency Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a
Notary Public in and for said state, personally appeared _____ personally known
to me or proved to me on the basis of satisfactory evidence to be the individual whose name is
subscribed to the within instrument and acknowledged that he executed the same in his capacity
as a _____ of the Jersey City Redevelopment Agency and that by his signature on the
instrument, the individual, or the corporation upon behalf of which the individual acted, executed
the instrument.

(Signature of Notary Public)

LEASE BY AND BETWEEN

**JERSEY CITY REDEVELOPMENT AGENCY
AS LANDLORD**

AND

**PORT AUTHORITY TRANS-HUDSON CORPORATION
AS TENANT**

**FOR A PORTION OF THE SITE KNOWN AS THE POWERHOUSE, LOCATED AT
WASHINGTON STREET, JERSEY CITY, NEW JERSEY, SUCH PORTION
DESIGNATED AS BLOCK 11609, LOT 1 ON THE TAX MAPS OF THE CITY OF
JERSEY CITY, NEW JERSEY**

The Lease ("Lease") is made and entered into as of _____, 2018 (the "Effective Date") by and between **THE JERSEY CITY DEVELOPMENT AGENCY**, a redevelopment agency of the City of Jersey City, having its offices at 30 Montgomery Street, Suite 900, Jersey City, New Jersey 07302] ("Landlord"), and **PORT AUTHORITY TRANS-HUDSON CORPORATION** ("Tenant"), a wholly owned subsidiary of the Port Authority of New York and New Jersey (the "Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with an office located 1 Path Plaza, Jersey City, New Jersey 07306. Landlord and Tenant may be referred to singly as a "Party" and collectively as the "Parties")

WITNESSETH:

WHEREAS, pursuant to that certain Agreement for Purchase, Sale and Exchange of Real Property (the "Purchase Agreement") the Landlord has on the date hereof received from Tenant as part of a land swap exchange a portion of the property known as the Powerhouse site, located on Washington Street, in the City of Jersey City, County of Hudson, New Jersey (the "City") and which is also known as existing Substation No. 2, as further identified on the tax maps of the City as Block 11609, Lot 1 (the "Demised Premises");

WHEREAS, the Demised Premises consists of a power substation (the "Old Substation") which is a vital component currently used by Tenant in connection with its purpose of providing rapid transit train connections between New York City and New Jersey for commuters of the states of New York and New Jersey;

WHEREAS, Tenant has purchased from Landlord a triangular parcel of property located in the City (the "Triangular Parcel") to be used by Tenant for the construction of a new power substation to replace the Old Substation having found that the construction of a new substation (the "New Substation") at the Triangular Parcel is a more financially viable option to the substantial and significant repairs and upgrades which would be required at the Old Substation;

WHEREAS, Tenant desires to lease back the Demised Premises from Landlord to operate the Old Substation for a period of time during which Tenant is constructing the New Substation so as not to interrupt PATH service from the City into New York City;

WHEREAS, upon expiration of the Lease, Landlord will convey the Demised Premises to Redeveloper (as hereinafter defined), as is, upon certain terms and conditions set forth in the Lease;

WHEREAS, the Landlord desires to make available, and the Tenant desires to lease, the Demised Premises for the Permitted Uses (as hereinafter defined), all in accordance with the terms and conditions of this Lease including, but not limited to, certain obligations to be undertaken by Redeveloper with respect to the Demised Premises upon termination of this Lease; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound hereby, agree with each other as follows:

ARTICLE I: BASIC LEASE PROVISIONS AND DEFINITIONS

Section 1.01. Basic Lease Provisions and Definitions.

Wherever used in this Lease, the following terms shall have the meanings indicated. Each reference in this Lease to any of the Basic Lease Provisions in this Section 1.01 shall be deemed and construed to incorporate all of the terms provided under such Basic Lease Provision, provided that the Basic Lease Provisions shall be controlled by the specific terms and provisions of this Lease relating to the subject matter of the Basic Lease Provision.

Landlord: JERSEY CITY REDEVELOPMENT AGENCY

Tenant: PORT AUTHORITY TRANS-HUDSON CORPORATION, a wholly owned subsidiary of the Port Authority of New York and New Jersey.

Redeveloper: Such party as may be designated by the Landlord, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as the "redeveloper" of the Demised Premises upon the expiration of the Term.

Port Authority: The Port Authority of New York and New Jersey, a body corporate and politic created by Compact between the States of New York and New Jersey.

The Demised Premises: a portion of the site known as the Powerhouse consisting of approximately 40,098 s.f., located at Washington Street, Jersey City, New Jersey and designated as Block 11609, Lot 1 on the tax maps of the City and as more particularly described on Exhibit A attached hereto and made a part hereof.

Permitted Uses: Tenant shall use the Demised Premises for purposes of operating a power substation for use in connection with the distribution of power for PATH operations in the City

Commencement Date: The Commencement Date shall be the Effective Date.

Term: The Lease Term shall run for four (4) years beginning on the Effective Date and expiring on the 4th anniversary of the Effective Date (the "Expiration Date"). There shall be one (1) renewal option of four (4) years ("Option Term"). The Option Term shall commence on the day immediately following the last day of the prior Term and shall, unless terminated earlier, terminate on the last day of the last calendar month in the Option Term. Tenant must notify Landlord of its election to exercise the Option Term by written notice given no later than thirty (30) days prior to the last day of the Term. The terms of this Lease shall be applicable to the Option Term.

Rent: Fixed Rent: \$10.00 per year from the Commencement Date payable on the Effective Date and each anniversary date thereof during the Term.

Utilities and Services: Not included in Rent.

Stabilization: Landlord shall be responsible for all costs of stabilization of the entire Powerhouse structure, including the Demises Premises in accordance with Section 2.03 below.

ARTICLE II: DEMISED PREMISES

Section 2.01. Demised Premises.

(a) Landlord, in consideration of the rents to be paid and the covenants to be performed by Tenant, hereby leases to Tenant the Demised Premises as identified on Exhibit A, together with the improvements and appurtenances and Tenant hereby leases the Demised Premises from Landlord, for the Lease Term.

(b) During the Lease Term, or any Option Term, Tenant shall have the right, at its sole expense, to install any equipment, machinery or fixtures in the Demised Premises. Tenant shall be entitled to continuing access to perform any installation, maintenance, repairs and replacements of the Equipment that Tenant deems necessary. Any work to be performed by Tenant shall comply with the applicable governmental approvals.

(c) Tenant acknowledges that it is familiar with the Demised Premises and is leasing the Demises Premises in "As-Is, Where-is" condition.

Section 2.02. Surrender of the Demised Premises; Removal of Equipment; Decommissioning

(a) Upon the expiration of the Term or the Option Term or earlier termination of this Lease in accordance with the terms and provisions hereof, Tenant shall quit and surrender the Demised Premises in the same condition as the Demised Premises were in upon delivery of possession except as required or permitted by this Lease and except for ordinary wear and tear, and shall have no liability or obligations to Landlord, Redeveloper or any other party with respect to any environmental or other conditions which may now or hereafter exist at, in or under the Demises Premises. Except as expressly set forth below in Section 2.02 (b) hereof with respect to a monetary contribution to the Redeveloper, Tenant shall have no obligation to Landlord or Redeveloper to remove any or all of its equipment, fixtures or other property from the Demised Premises.

(b) Landlord shall or shall cause the Redeveloper, upon expiration of the Term, to undertake and be responsible for the removal and decommissioning of all Tenant fixtures, equipment, personality and other property located in, on or about the Demises Premises including, but not limited to the removal and decommissioning of all power generation equipment (the "Equipment"). Tenant shall contribute up to an amount equal to \$300,000 ("Tenant's Decommissioning Contribution") to the City or Redeveloper, as applicable, for costs incurred in connection with such removal and decommissioning. Notwithstanding anything contained in this paragraph to the contrary, Landlord agrees and acknowledges that if, upon expiration or termination of this Lease, there shall be no Redeveloper for the Demised Premises, the Redeveloper shall no longer be the designated redeveloper of the Demised Premises, or the Redeveloper does not, will not or cannot undertake the removal and decommissioning of the Equipment, then Landlord shall undertake and be responsible for removal and decommissioning of the Equipment. In such event, Tenant's only obligation with respect to such removal and decommissioning shall be to pay Landlord the Tenant's Decommissioning Contribution and

Landlord shall assume and be responsible for all other costs and expenses of such removal and decommissioning. Landlord's obligation to observe or perform this covenant, and to cause the Redeveloper to observe or perform such covenant, shall survive the expiration or other termination of this Lease.

(c) Notwithstanding anything contained in this Section 2.02 or elsewhere in the Lease, Tenant shall, in its sole and absolute discretion, have the right to remove any of its Equipment from the Demised Premises during the Term of the Lease.

Section 2.03. Stabilization.

During the Term and any Option Term of this Lease, Landlord shall at its own cost and expense maintain and stabilize the Powerhouse building, including the Demised Premises, against further deterioration or structural compromise, using \$1,300,000 of funds (the "Stabilization Funds") previously provided by the Port Authority to the Landlord under a memorandum of understanding between the Port Authority and Landlord, dated May 15, 2008, a copy of which is attached hereto as **Exhibit B** (the "2008 MOU"). Other than with respect to the Stabilization Funds already provided to Landlord by the Port Authority or Tenant under the 2008 MOU, neither Tenant nor the Port Authority shall have any financial or other obligation to stabilize the Powerhouse or the Demised Premises. Upon the termination of this Lease, Landlord shall provide an accounting of the remaining Stabilization Funds to Tenant and the Port Authority and, to the extent Stabilization Funds remain, Landlord shall be entitled to retain all such funds.

ARTICLE III: TERM OF LEASE

Section 3.01. Lease Term.

(a) The Lease Term shall begin on the Commencement Date and continue for the period set forth in Section 1.01, unless sooner terminated in accordance with the terms and provisions of this Lease.

(b) Tenant shall have the option to terminate this Lease, at any time for any reason or no reason, upon thirty (30) day prior written notice to Landlord.

(c) Tenant shall have the right and option to extend the Lease Term as set forth in Section 1.01 hereof upon the same terms and conditions, except that Tenant shall have no further option to extend the Lease Term beyond the Option Term. Tenant shall exercise its right and option to so extend the Lease Term by serving written notice upon Landlord of its election to exercise said option as provided in Section 1.01. If Tenant shall not have given notice of such election to Landlord by such date in respect of any Option Term and Tenant remains in the Demised Premises after the Expiration Date, Tenant shall be deemed a hold-over tenant, subject to the provisions of Section 3.03 hereof.

Section 3.02. Construction/Possession.

Tenant's taking possession of the Demised Premises shall be deemed conclusive evidence

of Tenant's acceptance of the Demised Premises in satisfactory condition and in full compliance with all covenants and obligations of Landlord in connection therewith. Tenant agrees that it will accept possession of the Demised Premises as delivered and that no representations or inducements respecting the condition of the Demised Premises have been made to Tenant by Landlord or its authorized representative.

Section 3.03 Holding Over.

If Tenant has remained in possession of the Demised Premises after the Expiration Date or earlier termination of the Lease, Tenant shall vacate and surrender the Demised Premises to Landlord within sixty (60) days after written notice to Tenant.

ARTICLE IV: RENT

Section 4.01. Fixed Rent.

Tenant hereby covenants and agrees to pay to Landlord the Fixed Rent set forth in Section 1.01, without any prior demand therefor and without any offset or deduction whatsoever (except as otherwise provided in the Sublease), annually on the Effective Date and on each annual anniversary date thereof during the Term.

Section 4.02. Utilities and Other Services.

Tenant shall contract with and pay directly to the company supplying such utilities or services for the cost of all utilities and other services supplied to the Demised Premises.

ARTICLE V: USE OF THE DEMISED PREMISES

Section 5.01. Use of the Demised Premises.

(a) Tenant shall use and operate the Demised Premises solely for the Permitted Uses set forth in Section 1.01, in full compliance with all applicable governmental rules, regulations and requirements. Tenant shall not use, or permit the use, of the Demised Premises for any other use or purpose.

(b) Subject to Landlord's written consent which shall not be unreasonably withheld, Tenant may use the Demised Premises for any other legal purpose.

Section 5.02. Quiet Enjoyment.

Landlord covenants that Tenant, upon paying the Rent and performing all of the terms of this Lease on its part to be performed, shall peaceably and quietly enjoy the Demised Premises and the appurtenances throughout the Lease Term without interference by Landlord or third parties action on behalf of or at Landlord's direction or control, subject, nevertheless, to the terms of this Lease and to any mortgage, ground lease or agreements to which this Lease is subordinated.

Section 5.03 Redevelopment Activities.

Landlord shall ensure, or cause the Redeveloper to ensure, that any redevelopment, including but not limited to construction activities, taking place at the Powerhouse facility during the Term and the Option Term, if any, and which are performed by, or on behalf of, Landlord or Redeveloper will not impact the safe and efficient operation of PATH equipment currently located at the Demised Premises. All redevelopment activities performed by or on behalf of Landlord or Redeveloper during the Term will be subject to the prior review and approval of designated Tenant personnel prior to commencement of such work, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 5.04. Environmental.

(a) Tenant shall have no liability or obligation to Landlord or Redeveloper with respect to any environmental conditions existing at any time in, at or under the Demised Premises, or with respect to any environmental remediation required at the Demised Premises and as may be required by any Environmental Laws (as hereinafter defined). Landlord shall cause the Redeveloper to be solely responsible for any and all environmental remediation of the Demised Premises to the extent required by Environmental Laws and shall cause the Redeveloper to waive any claims against either Tenant or Landlord for any financial or other contribution in connection with such remediation. In addition, Landlord shall cause the Redeveloper to indemnify and hold harmless Landlord and Tenant from and against any suits, actions, damages, claims, judgements, costs, liabilities, and expenses in connection with (i) the presence of any Hazardous Materials (as defined below) existing at, in, or on the Demised Premises, or (ii) the violation of any Environmental Laws (as defined below) applicable to the Demised Premises.

(b) In the event there is no Redeveloper for the Demised Premises, the Redeveloper shall no longer be the designated redeveloper for the Demised Premises, or Redeveloper refuses to or otherwise does not or cannot undertake the obligations to remediate the Demised Premises as set forth in Section 5.04(a) and/or indemnify Tenant in accordance therewith, Landlord shall assume such remediation obligations with respect to the Demised Premises and waives any claims against Tenant for any financial or other contribution in connection with such remediation. In addition, Landlord shall indemnify and hold harmless Tenant from and against any suits, actions, damages, claims, judgements, costs, liabilities, and expenses in connection with (i) the presence of any Hazardous Materials existing at, in, under, or on the Demised Premises, or (ii) the violation of any Environmental Laws applicable to the Demised Premises.

(c) For purposes of this Section 5.04, "Environmental Laws" shall be defined to include all present and future laws or regulations regarding the use, storage, removal or abatement of hazardous, toxic and/or environmentally controlled materials and the term "Hazardous Materials" shall mean any hazardous or toxic substances, materials, asbestos, wastes, pollutants and the like which are defined as such in, and/or regulated by (or become defined in and/or regulated by), and applicable local, state or federal law including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §1801 *et seq.*), the Clean Water Act (33 U.S.C. §1251 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*),

the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §136 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §651 *et seq.*), the Industrial Site Recovery Act N.J.S.A. 13:1K-6 *et seq.* and regulations promulgated thereunder and any successor legislation and regulations ("ISRA"), any other federal, state, or local law or ordinance which is presently in effect or hereinafter enacted relating to environmental matters, any rules and regulations promulgated under any of the foregoing, and any and all amendments to the foregoing.

(d) The provisions of his Section 5.04 shall survive termination or expiration of this Lease.

ARTICLE VI: TENANT'S MAINTENANCE

Section 6.01. Laws, Waste or Nuisance. From and after the Effective Date, Tenant shall, at its own cost and expense: (i) comply with all applicable governmental laws, orders and regulations affecting the Demised Premises now or hereafter in force; or (ii) not suffer, permit or commit any waste or nuisance. Tenant shall not, or allow any of its sub tenant(s) to, perform any acts or carry on any practices which may injure the building or be a nuisance or menace to other subtenants or the public.

Section 6.02. Mechanic's Lien. To the extent of any Tenant's construction or work at the Demised Premises, Tenant shall promptly pay all contractors and material men, so as to minimize the possibility of a lien attaching to the Demised Premises and should any such lien be made or filed, Tenant shall bond against or discharge the same within sixty (60) days after the receipt of notice of filing thereof. In the event Tenant shall fail to bond or discharge a filed lien within the time provided for herein, Landlord, at its option, in addition to all other rights and remedies provided herein, may bond or pay the lien or claim without inquiring into the validity thereof. Tenant, within sixty (60) days following written demand, shall reimburse Landlord for the amount so paid and the reasonable expenses related thereto including attorney's fees.

ARTICLE VII: MAINTENANCE OF BUILDING; ACCESS TO DEMISED PREMISES

Section 7.01. Repairs.

Except for the stabilization referred to in Section 2.03 hereof, Landlord shall not be required to make any repairs or replacements of any kind to the Demised Premises.

ARTICLE VIII: UTILITIES

Section 8.01. Utilities.

Tenant shall arrange for and pay directly all utility companies providing utility service to the Demised Premises.

ARTICLE IX: ASSIGNMENT; SUBLEASE

Section 9.01. Assignment or Subletting.

Tenant may sublet or license the use of, all or any part of the Demised Premises, or assign this Lease with the prior written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Within fifteen (15) days following any assignment or sublease, Tenant shall deliver a copy of the sublease and the original assumption agreement (in the case of an assignment). Once an assignment is effectuated in accordance with the terms of this Section 9.01, Tenant (named herein) shall no longer remain liable for the performance of all covenants and obligations under this Lease.

Within thirty (30) days following request therefor, Landlord agrees to deliver to any subtenant or subtenants of Tenant, a non-disturbance agreement in recordable form on terms and conditions reasonably satisfactory to the Parties and shall be in a form to be reasonably agreed upon by the Parties.

ARTICLE X: NOTICES

Section 10.01. Notices.

(a) Any notice by Tenant to Landlord must be served by certified mail, return receipt requested, postage prepaid, or by Federal Express or other nationally recognized overnight delivery service, addressed to Landlord at the address set forth in the preamble to this Lease, or to such other address as Landlord may designate by written notice.

(b) Any notice by Landlord to Tenant must be served by certified mail, return receipt requested, postage prepaid, or by Federal Express or other nationally recognized overnight delivery service, addressed to Tenant at the address set forth in the preamble to this Lease, or at such other address as Tenant shall designate by written notice.

(c) Any notice given in conformance with the above shall be deemed received on the earlier of (i) three days after the date given to the Postal Service or delivery service, as the case may be, or (ii) the date on which the noticed party receives or refuses receipt of the notice.

ARTICLE XI: INDEMNITY; PROPERTY AND LIABILITY INSURANCE

Section 11.01. Indemnity. From and after the Effective Date, except as set forth below and in Section 5.04 of this Agreement, and except for the negligence and/or willful acts or omissions of the Landlord, its agents, servants or employees, Tenant shall indemnify and save the Landlord harmless from and against any suits, actions, damages, claims, judgments, costs, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising from, or out of, any occurrence in, upon, at or from the Demised Premises, or the occupancy or use by Tenant of the Demised Premises, or any part thereof, or occasioned wholly, by any act or omission of Tenant, its agents, contractors, employees, servants, or licensees. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant or related to the Demised Premises or the occupancy or use by Tenant of the Demised Premises, then Tenant

shall protect and defend Landlord from or against any loss, claim, damage, liability or expense except to the extent caused by any negligence, recklessness or intentional misconduct of the Landlord in connection with the Tenant's performance of its obligations, agreements and covenants under this Lease. Notwithstanding the provisions of this Section 11.01, nothing herein shall be construed to impose any obligation on Tenant with respect to the remediation of Hazardous Substances (as defined in Section 5.04 of this Agreement) or to indemnify Landlord or Redeveloper for any suits, actions, damages, claims, judgments, costs, liabilities and expenses in connection therewith, it being understood by the Parties that liability and indemnification obligations relating to environmental conditions of the Demised Premises will be governed by Section 5.04 of this Agreement.

Section 11.02. Insurance.

(a) Tenant agrees to maintain insurance policies providing against loss by fire, lightning, the perils of extended coverage and malicious mischief covering the Demised Premises. The policies covering the Demised Premises required under this Section 11.02 shall contain the following endorsements: An endorsement providing for thirty (30) day notice of cancellation of insurance to all who are or become additional insureds as required under this Lease. All policies of insurance required under this Section shall be for the full replacement value of the Demised Premises required to be insured hereunder.

(b) The Parties have agreed that, as between Tenant and Landlord, it is the responsibility of Tenant to obtain and maintain commercial public liability insurance providing coverage for bodily injury and property damage liability with respect to the Demised Premises, in which the public liability coverage shall not be less than Five Million Dollars (\$5,000,000) combined single limit covering injury or death to any person or persons in any one accident, and property damage including water damage and sprinkler leakage legal liability per occurrence. Notwithstanding the foregoing, Tenant has represented to Landlord that it is Tenant's current practice to self-insure partially, in lieu of obtaining policies of insurance. The Parties therefore agree that in addition to all other obligations of Tenant provided for in this Lease, Tenant shall be liable to Landlord, to the extent of the self-insurance coverages specified above. It is the Parties' intention by way of the foregoing provisions to provide Landlord with the same coverages specified above, as though Tenant, as its own cost and expense, had obtained separate insurance from a third-party insurer, naming Landlord as additional insured, and Tenant's obligation pursuant to this Article shall not be subject to any set-off, defense or counterclaim based on any other provision of this Lease.

(c) In the event that Tenant elects to obtain policies of insurance in lieu of self-insurance, Tenant shall notify Landlord of that fact and shall provide Landlord with a certificate of insurance which shall contain a clause that the insurer will not cancel, terminate, modify or amend the insurance policy, or allow the same to expire, without first giving Landlord twenty (20) days prior written notice by certified or registered mail, return receipt requested. A copy of the policy or a certificate of insurance shall be delivered to Landlord within ten (10) days after the signing of this Lease, provided however, that Tenant may self-insure all or any portion of the foregoing coverage and will provide a written statement to this effect in lieu of certificates.

ARTICLE XIII: LIABILITY OF LANDLORD

Section 12.01. Tenant's Risk of Loss.

Tenant shall store its property in and shall occupy the Demised Premises at its own risk and releases Landlord, to the full extent permitted by law, from all claims of every kind resulting from loss of life, personal or bodily injury or property damage occurring within the Demised Premises, except to the extent such claim directly arises from a default by Landlord of any of its obligations under this Lease, including, but not limited to its obligations set forth in Section 2.03 and 5.03 of this Lease. Absent any such default by the Landlord in its obligations under this Lease, Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage to property of Tenant or to Tenant's equipment, fixtures or other personal property or to Tenant's business, arising from any cause that is covered or required to be covered under Tenant's insurance under Section 12.02 of this Lease.

Section 12.02. Successors.

All rights and liabilities herein given to, or imposed upon, the respective Parties shall extend to and bind the respective heirs, executors, administrators, successors and assigns of the said Parties. Each provision to be performed by the Parties shall be construed to be both a covenant and a condition and, if there shall be more than one Tenant, they shall all be bound jointly and severally by these provisions. Notwithstanding the foregoing, in the event that any Party or any successor, assignee or subtenant owner shall convey or otherwise dispose of this Lease therefore, all liabilities and obligations on the part of that party or successor owner under this Lease arising or accruing after such conveyance shall cease and terminate and thereupon all such liabilities and obligations shall be binding upon the new owner, assignee or subtenant.

ARTICLE XIII: DAMAGE CLAUSE

Section 13.01. Destruction.

If the Demised Premises shall be wholly or partially damaged by any casualty, Tenant may, at its option, either terminate this Lease by notice of cancellation to Landlord given within sixty (60) days after such event and thereupon this Lease shall expire, and Tenant shall vacate and surrender the Demised Premises to Landlord or, upon receipt of the insurance proceeds, promptly repair the same to the condition prior to the date Tenant took possession of the Demised Premises and this Lease shall remain in full force and effect.

ARTICLE XIV: LANDLORD DEFAULT

Section 14.01. Landlord Default.

If Landlord shall be in default hereunder fifteen (15) days after notice of such default of any of the provisions of this Lease including, but not limited to, Sections 2.03, 5.02 and 5.03 hereof, Tenant shall have the right, but not the obligation, to cure such default as the agent of Landlord, including the right to obtain injunctive relief or specific performance. If Tenant cures such default or Tenant obtains any such injunction which is sustained on final appeal, if any, Landlord shall pay to Tenant promptly on demand the reasonable cost or amount thereof, or the

reasonable costs and expenses incurred by Tenant in connection with the injunction proceeding (including reasonable attorneys' fees), as the case may be, plus interest at the prime rate plus 2.0 percent as published in the Wall Street Journal. If Landlord shall fail to make any such payment to Tenant, Tenant shall be entitled to all other remedies available to it at law or in equity. Tenant shall not commence to cure any default which could not reasonably be cured within such fifteen-day period if Landlord commences such cure within said period and proceeds with reasonable diligence and in good faith to complete such cure. Notwithstanding the foregoing, if, in Tenant's reasonable judgment, Landlord's default is material in nature, Tenant, after using reasonable efforts to give Landlord telephone notice, which notice shall immediately be confirmed by notice to Landlord by letter, fax, or email (provided Landlord has supplied Tenant with the name and telephone, fax numbers or email address of a person authorized to act on behalf of Landlord), may cure such default as the agent of Landlord without any other prior notice to Landlord. If Tenant commences such cure, Landlord shall cease doing any work which would in any way interfere with Tenant's performance. Any performance by Tenant of an obligation of Landlord shall not be construed as a modification or waiver of any of the provisions of this Sublease, and said obligation shall remain the obligation of Landlord notwithstanding (i) that Tenant has undertaken said obligation and (ii) the manner in which said obligation has been performed by Tenant.

ARTICLE XV: MISCELLANEOUS PROVISIONS

Section 15.01. Waiver of Trial by Jury.

THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE DEMISED PREMISES, OR DAMAGE TO PROPERTY.

Section 15.02. Limitation of Liability.

Notwithstanding anything to the contrary in the Lease, under no circumstances shall any Party be liable for any consequential, indirect or special damages.

Section 15.03. No Waiver.

The rights and remedies given to any Party in this Lease are distinct, separate and cumulative remedies, and the exercise of any of them shall not be deemed to exclude any Party's right to exercise any or all of the others. The waiver by any Party of any breach or of the strict and/or prompt performance of any term, covenant or condition herein contained, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any Party's right to strictly enforce same in the future. No covenant, term or condition of this Lease shall be deemed to have been waived by any Party unless such waiver is in writing by the applicable Party.

Section 15.04. Non-Liability of Individuals. Neither the Directors of Tenant nor any individual

officer or official of Tenant, the Commissioners nor any individual officer or official of the Port Authority, the Landlord, nor any elected official, director, agent or employee of Landlord, Tenant or the Port Authority shall be charged personally by any of the others with liability, nor be held liable under any term, provision or paragraph of this Indenture or because of its execution or attempted execution or because of any breach hereof

Section 15.05. Entire Agreement.

This Lease and the exhibits, if any, attached set forth the entire agreement between the Parties as to the lease of the Demised Premises. Any prior conversations or writings regarding this Lease are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by all Parties hereto. If any provision contained in an exhibit is inconsistent with the provisions contained herein then the provisions contained in said exhibit shall supersede said provisions contained herein. The captions, numbers and index appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any paragraph, nor in any way affect this Lease.

Section 15.06. Partial Invalidity.

If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

Section 15.07. Applicable Law; Venue.

Each Party agrees that any action or proceeding (whether based on contract, tort or otherwise) between any of the Parties seeking to enforce any provision of, or arising out of or relating to, this Lease or the transactions contemplated hereby must be brought and determined exclusively in any federal court located in the State of New Jersey within the Port District or any New Jersey state court within the Port District. Each Party (a) irrevocably and unconditionally consents and submits to the *exclusive* jurisdiction and venue of such courts (and of the appropriate appellate courts therefrom) in any such action or proceeding, (b) agrees that it will not bring any such action or proceeding other than in the aforesaid courts and will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, and (c) irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such action or proceeding in any such court or that any such action or proceeding brought in any such court has been brought in an inconvenient forum

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have signed this Sublease as of the day and year first above written.

SIGNATURES:

LANDLORD:

JERSEY CITY REDEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

TENANT:

PORT AUTHORITY TRANS-HUDSON CORPORATION

By: _____

Name: _____

Title: _____

Exhibit A

Demised Premises

Schedule A-4

Legal Description: Block 11609 Lot 1

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and known as Block 11609 Lot 1 and more particularly described as:

BEGINNING at a point formed by the intersection of the existing northerly side of First Street with the existing easterly side of Washington Street having a NJSPCS coordinate of N = 687965.06 & E = 620631.90 and running thence:

1. Along the southerly line of First Street, S 82° 52' 17" E, 231.50' to a point on the westerly right-of-way line of Greene Street; thence,
2. Along the westerly line of Greene Street, S 32° 56' 40." E, 117.13', to a point of curvature; thence,
3. Continuing along the same with a curve to the right having a radius of 306.10', an arc length of 7.24', a delta of 1° 21' 21", and a chord bearing S 32° 15' 38" E, 7.24' to a non-tangent point on the southerly lotline of Lot 1; thence,
4. Along the southerly lot line, N 81° 46' 29"W, 191.66' to a point on the easterly lotline of Lot 1; thence,
5. Along the easterly lot line, S 8° 28' 31" W, 123.57' to a point on the northerly right-of-way line of Bay Street; thence,
6. Along the northerly lot line, N 81° 46' 29"W, 121.99' to a point on the easterly right-of-way line of Washington Street; thence,
7. Along the easterly line of Washington Street, N 8° 28' 31" E, 212.82' to the point of BEGINNING.

Said tract containing 40,098 Sq. Ft. / 0.9205 Acres more or less.

Exhibit B
2008 MOU

Excluded 2008 memo.

2.4.

**Memorandum of Understanding Among
The Port Authority of New York and New Jersey, the Port Authority Trans-Hudson
Corporation, the Jersey City Redevelopment Agency and the City of Jersey City
Washington Street Powerhouse**

The following sets forth the mutual understandings among The Port Authority of New York and New Jersey ("Port Authority"), the Port Authority Trans-Hudson Corporation ("PATH"), the Jersey City Redevelopment Agency ("JCRA") and the City of Jersey City ("Jersey City") with respect to the proposal of Jersey City and the JCRA to redevelop the Washington Street Powerhouse (the "Powerhouse") and other property located in the area in need of redevelopment known as the Powerhouse Arts District in Jersey City. Jersey City and the JCRA are collectively referred to as the "City" in this Memorandum. In furtherance of such redevelopment proposal, the parties contemplate entering into the following transactions:

1. Recital

In order to assist the redevelopment of the Powerhouse and improve the existing substation serving PATH, the parties contemplate the exchange of PATH's interest in the Powerhouse for a fee interest in land (the "Replacement Property") suitable, in the sole opinion of PATH, for the construction and operation of a replacement PATH substation containing electrical, air-compressor and other equipment required for the PATH interstate railroad system (the "PATH Substation") as part of a mixed-use development (the "Overbuild") of sufficient height, bulk and floor area to offset part of PATH's capital investment in the construction and equipping of the PATH Substation and the Overbuild, all on terms acceptable to all parties. The term Replacement Property will also include any associated right of way parcel(s) or easements necessary to connect the PATH Substation to the existing PATH system.

2. Stabilization

Promptly upon execution of this agreement, the City will begin the process of planning and designing a stabilization program for the entire Powerhouse structure. For the purposes of this Memorandum the term "Stabilization Program" shall be defined as the design and construction work involving repair and rehabilitation of the Powerhouse intended to solely prevent further deterioration of the following: brick, masonry and facades; roof coverings and parapets; underlying steel structure at facades and roof; and the enclosure of windows and doors. The Stabilization Program shall also include the removal of loose debris incidental to the repair and rehabilitation of the Powerhouse as described herein. The JCRA shall be solely responsible for the actual cost of the planning, design and preparation of the Stabilization Program, including all costs associated therewith (collectively the "Design Cost").

No part of the performance of the Stabilization Program will begin until JCRA and Jersey City have identified sufficient funds to perform the Stabilization Program (excluding the

Design Costs) and all necessary parties have authorized the use of such funds for the performance of the Stabilization Program and of the investigations described in Sections 3 and 4 of this Memorandum to the satisfaction of the Port Authority and PATH. If such authorization is not obtained on or before December 31, 2008, then this Memorandum shall expire and be of no further force or effect, and no party shall have any claim or obligation with respect to the subject matter hereof. PATH will grant the City access to the portion of the Powerhouse owned by PATH and will fully cooperate with the City, its consultants, and agents in the performance of the Stabilization Program including execution of a Right of Entry Agreement acceptable to PATH. The City will ensure that performance of the Stabilization Program will not impact the safe and efficient operation of PATH equipment currently located at the Powerhouse. All work performed by the City, its agents or assigns will be reviewed with, and subject to the approval of, designated PATH personnel prior to commencement of such work. The City will indemnify and hold the Port Authority harmless for any claims or damage resulting from the stabilization work.

The PATH portion of the Stabilization Program Costs will come from revenues due to the Port Authority, but not yet paid, pursuant to the August 19, 1998 Greenville Yards agreement among the Port Authority, Jersey City, and the Jersey City Economic Development Corporation (the "Greenville Yards Agreement").

It is currently estimated that \$1,680,492 in revenue from the Greenville Yards Agreement is being retained by the JCRA on behalf of the Port Authority. On or before ~~October 31~~, 2008, the JCRA shall certify the amount of revenue currently held on behalf of the Port Authority from the Greenville Yards Agreement. The amount of \$1,680,492 shall represent the maximum amount of funds available from PATH and the Port Authority for the Stabilization Program and in any event no more than the lesser of \$1,680,492 or the actual revenue held on behalf of the Port Authority by JCRA under the Greenville Yards Agreement (the "PATH Stabilization Amount") shall be provided by the Port Authority toward the Stabilization Program.

The parties will split the cost of performing the Stabilization Program (the "Stabilization Program Costs") as follows:

A. the Port Authority and PATH will first expend an amount equal to the amount of the Design Costs borne by the JCRA; then

B. the Stabilization Program Costs will next be expended on a *pari passu* basis, up to a maximum total amount of \$600,000 less the Design Costs (\$300,000 including the amount expended under clause A for the Port Authority and PATH and \$300,000 less the Design Costs for the JCRA); then

C. the Port Authority and PATH will next expend an amount up to the entire PATH Stabilization Amount less \$300,000.

Should the sum of the Stabilization Program Costs and the Design Costs exceed the PATH Stabilization Amount plus the JCRA's \$300,000 share, Jersey City will be solely

responsible for any and all costs beyond the PATH Stabilization Amount and the \$300,000 provided by JCRA. If the Port Authority and PATH's portion of Stabilization Program Costs are less than the PATH Stabilization Amount, PATH will utilize the remaining Greenville Yards revenues, if any, toward its other investigative work outlined in Sections 3 and 4 of this Memorandum. Any amounts due and owing to the Port Authority arising out of the Greenville Yards Agreement shall be reduced by the amount utilized toward the Stabilization Program Costs and the investigative activities outlined in this Memorandum, up to a maximum of \$1,680,492. Use of the Greenville Yards funds for the Stabilization Program shall not release the City from fulfilling any other obligations to the Port Authority under the Greenville Yards Agreement.

Following the JCRA's receipt of a contractor's invoice for performing Stabilization Program Work, which shall set forth with reasonable specificity the nature of and date(s) on which Stabilization Program work was performed, the JCRA shall forward a copy of such invoice to PATH, together with the JCRA's Certification, in the form of the "Form of Certification" attached as Exhibit A, with such changes thereto as shall be acceptable to PATH, signed by the JCRA official in charge of the Stabilization Program. The certification shall certify with respect to the following:

- (i) the contractor which performed the work,
- (ii) the contract pursuant to which the work was performed,
- (iii) the work performed,
- (iv) the total amount to be paid to the contractor for performing such work
- (v) the aggregate amounts paid and payable for the Stabilization Program to the date of such certification.
- (vi) the amounts to be utilized from the PATH Stabilization Amount and payable by the JCRA for performing the work covered by the certification,
- (vii) that the JCRA knows of no reason why the amount to be utilized from the PATH Stabilization Amount is not properly payable to the contractor under the terms of the contract,
- (viii) that the contractor to be paid was retained in accordance with all applicable legal requirements, including any applicable bidding provisions, and the contract meets all applicable legal requirements, and
- (ix) except in the case of the first such certification, that all amounts previously certified to PATH as payable to contractors as payable in connection with the Stabilization Program have been so paid.

Within 15 days after PATH's receipt of the copy of the invoice(s) and the JCRA certification, as provided in the preceding paragraph, plus any supporting documentation PATH may reasonably request, PATH will provide written documentation authorizing the use of the Greenville Yards revenue toward the PATH Stabilization Amount.

3. Investigation of Replacement Properties

The City and PATH will select two or more properties (the "Selected Properties") which may be of sufficient size and suitable for the construction and operation of the PATH Substation and the Overbuild. In the event that the City and PATH are unable to agree on the Selected Properties then this Memorandum shall terminate and be of no further force or effect, and no party shall have any claim or obligation hereunder or otherwise with respect to the subject matter hereof except for the reimbursement obligations set forth in this Section 3. PATH will conduct a detailed examination and review as to the suitability of the Selected Properties. PATH will have the opportunity to perform a complete investigation and analysis of all factors relating to the suitability of the properties for PATH's purposes, including without limitation thereto, planning, legal title, environmental, geotechnical, utility, structural, design and architectural programming factors (the "Selected Properties Investigation"), but will make a good faith effort to complete its analysis of the Selected Properties within nine (9) months after the execution of this Memorandum. The City will share all information in its possession relating to the Selected Properties including the factors set forth above. In addition, PATH may retain other professional services as required to confirm property ownership, surveys, etc. PATH will provide the City with copies of any data and reports throughout the course of the Selected Properties Investigations to be received simultaneously with receipt of these materials by PATH.

PATH may conduct the Selected Properties Investigations using its own personnel or contractors. The cost will be divided on a *pari passu* basis with the JCRA reimbursing PATH for fifty percent (50%) of the cost of the Selected Properties Investigations performed by contractors up to an amount of three hundred thousand dollars (\$300,000) (\$600,000 total cost), provided that PATH will, prior to award of contract, provide a scope of work and cost proposal for any and all work to be so reimbursed for review and concurrence by the JCRA. PATH will bear three hundred thousand dollars (\$300,000) of such initial six hundred thousand dollars (\$600,000) and any cost above such amount. The up to three hundred thousand dollars (\$300,000) to be provided by the JCRA under this Section 3 (and if any funds remain, Section 4) of this Memorandum is in addition to the up to three hundred thousand dollars (\$300,000) to be provided by the JCRA under Section 2 of this Memorandum. Jersey City shall grant PATH right of entry on any of the Selected Properties owned by Jersey City for the purpose of conducting the Selected Properties Investigations. In the event that any of the Selected Properties are not owned by Jersey City, PATH agrees to perform the Selected Properties Investigations provided that the JCRA or Jersey City is able to obtain access to such property or properties as required by PATH to perform the Selected Properties Investigations.

The JCRA shall be responsible for performing any environmental clean-up, testing and analysis resulting from or arising out of an environmental enforcement and/or clean-up requirement triggered by or imposed in connection with the Selected Properties Investigations at the Selected Properties and at any associated right of way parcel(s) or easements necessary to connect the PATH Substation to the existing PATH system, and shall indemnify PATH and the Port Authority regarding the same.

In the event that PATH determines, in its sole discretion, that none of the Selected Properties are suitable for the construction and operation of the PATH Substation and can reasonably accommodate an Overbuild, or the parties are unable to agree on the Selected Properties, then this Memorandum of Understanding shall terminate and be of no further force or effect, and no party shall have any claim or obligation hereunder or otherwise with respect to the subject matter hereof except for the reimbursement obligations set forth in this Section 3.

4. Investigation of Powerhouse

In the event that PATH determines, in its sole discretion, that one of the Selected Properties is suitable for the construction and operation of the PATH Substation and the Overbuild, it shall by notice to the City and JCRA designate the Selected Property which PATH chooses as the proposed Replacement Property. The JCRA shall have ten (10) business days to review PATH's selection and if the JCRA concurs in that choice, the parties shall perform environmental testing, review and analysis, and other necessary investigations of the Powerhouse as follows (the "Powerhouse Investigation"). PATH and the JCRA shall cooperate with regard to the Powerhouse Investigation to facilitate access by each party to the portion of the Powerhouse owned by the other and to avoid unnecessary duplication of effort. The parties shall retain an environmental engineering/testing firm to review available environmental documentation pertaining to the Powerhouse, and to perform necessary soil and other testing as required to identify and assess potential contamination in the Powerhouse, and to estimate the cost of any required remediation. Such testing firm will report its findings to all parties. The JCRA will reimburse PATH for fifty percent (50%) of the cost of the Powerhouse Investigation performed by contractors up to an amount of three hundred thousand dollars (\$300,000) (\$600,000 total cost) less the amount reimbursed to PATH for the Selected Properties Investigations as set forth in Section 3 of this Memorandum and any amount actually paid by the JCRA for such purposes.

In the event that the JCRA does not concur with PATH's selection of the Replacement Property and so notifies PATH within the ten (10) business day period allotted, the parties cannot agree on the selection of an environmental engineering/testing firm or firms to perform the Powerhouse Investigation or, after the completion of the Powerhouse Investigation, the JCRA determines that it is unable or unwilling to accept the portion of the Powerhouse owned by PATH in its "as is" condition subject to the remediation described in Section 5 hereof then this Memorandum of Understanding shall terminate and be of no further force or effect, and no party shall have any claim or

obligation hereunder or otherwise with respect to the subject matter hereof except for the reimbursement obligations set forth in this Section 4 and in Section 3 of this Memorandum.

5. Closing

This Memorandum of Understanding is not and shall not be deemed to be a Contract of Sale relating to PATH's interest in the Powerhouse or the City's interest, if and when existing, in the Selected Properties or the Replacement Property. The parties will prepare definitive agreements covering the transactions outlined herein. Such agreements must be acceptable to all parties required to sign them in their absolute discretion, contain the provisions of this Memorandum (unless otherwise agreed to by such parties) and must have been authorized by the governing body of each such party (i.e. the Board of Commissioners of the Port Authority, the Board of Directors of PATH and the Board of Commissioners of the JCRA and, if necessary, the Municipal Council of Jersey City). In the event such definitive agreements are not accepted by and executed by all parties to them, this Memorandum of Understanding shall terminate and be of no further force or effect, and no party shall have any claim or obligation hereunder or otherwise with respect to the subject matter hereof except for the reimbursement obligations set forth in Sections 3 and 4 of this Memorandum. Among such agreements shall be a Revenue Sharing Agreement for the subsequent development of the Powerhouse site that will become effective if: (a) the Powerhouse site is developed by substantial construction outside the walls or roof of the existing Powerhouse similar to Redevelopment Option 3 identified in the Powerhouse Redevelopment Study prepared for the Port Authority by Economics Research Associates dated March 21st, 2007; or (b) the existing Powerhouse structure is demolished and replaced with a newly constructed development. The Revenue Sharing Agreement shall enable PATH and Jersey City in the above described situations, each to obtain a percentage of future annual revenues generated from the redevelopment of the Powerhouse site, which may be subject to certain benchmarks to be set forth in the Revenue Sharing agreement.

Environmental

During the Construction Period defined in Section 6 of this Memorandum the parties will each be responsible for performing, at its own expense on the portion of the Powerhouse site they own, such environmental remediation necessary to bring such portion to an industrial reuse standard (the "Environmental Remediation"). The City agrees to apply for remediation grant funding that may be available to municipalities or their agents from the State of New Jersey or another funding source.

After execution of a Revenue Sharing Agreement and other agreements required to effectuate the transaction, PATH will convey its entire interest in the Powerhouse to the JCRA in its "as is" condition, subject to the performance of the Environmental Remediation, and to the lease of the area occupied by the existing PATH substation as set forth in Section 5 of this Memorandum. PATH will make no representations or warranties of any kind, and will have no obligations, with respect to the Powerhouse, except for the performance of the Environmental Remediation. The JCRA will indemnify and defend PATH and the Port Authority against any past, present and future

claims of any nature relating to the Powerhouse, including without limitation claims relating to any environmental condition of the property existing as of the completion of the Construction Period. The JCRA's indemnity obligation will not extend to third party claims, including claims of governmental entities other than the City, for clean-up, remediation or damages relating to the portion of the Powerhouse owned by PATH and initiated prior to the closing.

The JCRA will acquire the Replacement Property, if it is not already owned by the JCRA or Jersey City, and simultaneously with conveyance of the Powerhouse will convey a fee interest in the Replacement Property to PATH in its "as is", condition subject to the performance of such environmental remediation as is necessary or appropriate. PATH and/or the Port Authority will bear no responsibility for the acquisition of the Replacement Property, including without limitation any impacts on potential condemnation proceedings that result from the performance of PATH's investigative activities. Prior to the conveyance of the Replacement Property to PATH Jersey City shall have effectuated changes in the existing zoning and/or any other authorizing documentation necessary or desirable to enable PATH to construct the PATH Substation and Overbuild consistent with the Jersey City Master Plan and of a scale consistent with surrounding structures, both existing and planned. If the parties agree that the construction of the Overbuild at the new PATH Substation is undesirable or not feasible, then the City and JCRA agree to provide such land use approvals or other rights necessary as they may be legally authorized so to do for the Overbuild construction by the PATH at a mutually acceptable location that is owned by the Port Authority or PATH. At the same time as the conveyance of the Replacement Property, the JCRA will acquire and provide at no cost to PATH, any and all necessary rights of way, easements etc. referred to in Section 3 of this Memorandum and necessary for the uninterrupted operation of the new PATH Substation.

6. Construction Period

Promptly upon the conveyance of the Replacement Property to PATH, PATH will begin planning, engineering, design and construction of the PATH Substation and, at the option of PATH, the Overbuild; PATH will make a good faith effort to complete such planning, engineering, and design within twelve (12) months after such conveyance and to complete such construction within twenty four (24) months after the completion of such planning, engineering, and design. For the purpose of this Memorandum the term "Construction Period" shall mean the period beginning on the date of the conveyance of the Replacement Property to PATH and ending on the date that PATH shall remove its existing substation equipment from the Powerhouse as set forth below.

The City will provide or cause to be made available to PATH, free of charge, any City owned property, including adjacent streets or a portion thereof, as suitable construction staging areas required throughout the Construction Period for construction of the PATH Substation and Overbuild.

During the Construction Period the JCRA shall lease to PATH, for consideration of \$1.00 per year, those areas of the Powerhouse containing PATH equipment necessary for the safe and effective operation of the PATH interstate railroad system. The JCRA will ensure that Powerhouse redevelopment activities performed by, or on behalf of, it during the Construction Period will not impact the safe and efficient operation of PATH equipment currently located at the Powerhouse. All work performed by the JCRA, its agents or assigns will be reviewed with, and subject to the approval of, designated PATH personnel prior to commencement of such work. PATH will use all reasonable efforts to complete the construction of the PATH Substation and remove all PATH equipment located at the Powerhouse in a timely and expeditious manner so as not to hinder the redevelopment of the Powerhouse.

Upon completion of construction, system testing, switch-over and verification that new PATH equipment installed in the PATH Substation is working properly, PATH will, at its own expense, effectuate the safe removal of all PATH equipment located at the Powerhouse.

7. Effect; Termination

This Memorandum of Understanding merely expresses the understandings of the parties with respect to the matters set forth herein. Except as expressly set forth herein with respect to the Stabilization Program set forth in Section 2 of this Memorandum and the Selected Properties Investigations and the Powerhouse Investigation set forth in Sections 3 and 4 thereof, respectively, neither party shall have any obligation with respect to the matters set forth in this Memorandum unless and until all relevant parties have entered into a definitive agreement or agreements with respect thereto. It is understood that all actions contemplated herein, including the performance of such investigations, the conveyance of PATH's interest in the Powerhouse, the negotiation and execution of the Revenue Sharing Agreement, the Contracts of Sale for the Powerhouse and Replacement Property, and any other agreements, will require one or more authorizations by the Port Authority Board of Commissioners or PATH's Board of Directors, and there shall be no inference by reason of staff's signing of this Memorandum of Understanding that any such authorization has or will be obtained. Similarly, the City's execution of this Memorandum of Understanding must be approved by the Municipal Council of Jersey City and the Board of Directors of the JCRA. If authorization required for any of the actions contemplated herein is not obtained on or before December 31, 2008, then this Memorandum shall expire and be of no further force or effect, and no party shall have any claim or obligation with respect to the subject matter hereof.

In addition to termination under the conditions set forth in Sections 2, 3, 4 and 5 of this Memorandum, the Port Authority, PATH or the City shall each have the right, upon 15 days' notice to the other parties, to terminate this Memorandum of Understanding, with or without cause, in its sole discretion, in which case this Memorandum shall be of no further force or effect, and no party shall have any claim or obligation hereunder or otherwise with respect to the subject matter hereof, except as provided with respect to reimbursement in Sections 2, 3 and 4 hereof.

Neither the Commissioners of the Port Authority, the Directors of PATH or the JCRA, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by any party to this Memorandum with any liability or held liable to it under any term or provision of this Memorandum, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

This Memorandum constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by all parties thereto. Each party agrees that no representations or warranties shall be binding upon the other parties unless expressed in writing in this Memorandum.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed as of the date set forth below.

Witness/Attest:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: Karen E. Eastman
Name: Karen E. Eastman
Title: SECRETARY

By: Christopher O. Ward
Name: Christopher O. Ward
Title: Executive Director

Witness/Attest:

APPROVED	
TERMS	FORM
<u>10/1</u>	<u>10/1</u>

By: _____
Name: _____
Title: _____

PORT AUTHORITY
TRANS-HUDSON CORPORATION

By: Christopher O. Ward
Name: Christopher O. Ward
Title: President

Witness/Attest:

CITY OF JERSEY CITY

By: Robert P. Antonicello
Name: ROBERT BYRNE
Title: CITY CLERK

By: Jerranah Healy
Name: JERRANAH HEALY
Title: MAYOR

Witness/Attest:

JERSEY CITY
REDEVELOPMENT AGENCY

By: Robert P. Antonicello
Name: Robert P. Antonicello
Title: Secretary

By: James K. Morley
Name: James K. Morley
Title: Chairman

Dated : As of May 15, 2008

Exhibit A
Washington Street Powerhouse Memorandum of Understanding
Form of Certification

The undersigned certifies that he/she is the official of the Jersey City (the "JCRA") in charge of stabilization work at the Washington Street Powerhouse and is duly authorized to certify work invoices for stabilization costs, as defined in the April __, 2008 Memorandum of Understanding (the "MOU") among The Port Authority of New York and New Jersey (the "Port Authority"), the Port Authority Trans-Hudson Corporation, the JCRA and the City of Jersey City ("Jersey City") regarding the Washington Street Powerhouse. The undersigned hereby certifies to PATH as follows:

1. The work described on the invoice(s) attached as Exhibit A (the "Invoiced Work") was performed by [Name of Contractor] (the "Contractor") under contract number _____ dated _____ and approved by the City Council on _____ (the "Contract");
2. The JCRA proposes to pay to said contractor the sum of \$ _____ of which \$ _____ is to be paid by the JCRA and \$ _____ is to come from revenues due to the Port Authority under the August 19, 1998 Greenville Yards Agreement among the Port Authority, Jersey City and the Jersey City Economic Development Corporation (the "Greenville Yards Agreement");
3. As of the date of this Certificate a total of \$ _____ has been paid to contractors for stabilization costs of which \$ _____ has been paid from JCRA funds and \$ _____ from revenues under the Greenville Yards Agreement;
4. The Invoiced Work constitutes a part of the Powerhouse Stabilization Program, and the amounts invoiced constitute costs for permitted work as outlined in the MOU.
5. The Invoiced Work has been satisfactorily completed in accordance with the Contract.
6. The JCRA knows of no reason why the amount of revenues under the Greenville Yards Agreement to be utilized toward the stabilization work is not properly payable under the terms of the Contract and the MOU;
7. The Payee was retained as a contractor in accordance with all applicable legal requirements, including any applicable bidding provisions, and the Contract meets all applicable legal requirements; and
8. All amounts certified prior to the date of this Certificate as payable to contractors for Powerhouse Stabilization Program work from revenues under the Greenville Yards Agreement have been so paid.

Pursuant to the foregoing, Jersey City hereby requests that the following amount be deducted from the Greenville Yards account of funds due to The Port Authority of New York and New Jersey to be used by the JCRA in payment of stabilization work costs:
_____ Dollars _____ Cents (\$ _____).

Dated: _____

The City of Jersey City

By: _____
Name,
Title

Dated: _____

The Jersey City Redevelopment Agency

By: _____
Name,
Title

Record and Return to:

Prepared by: _____

Port Authority Trans Hudson Corporation
Port Authority of New York and New Jersey
4 World Trade Center
150 Greenwich Street
New York, New York 10006
Attention: _____

GRANT OF PERMANENT AND TEMPORARY EASEMENT

THIS INDENTURE, made this ___ day of _____, 2018, between [THE CITY OF JERSEY CITY, with an office at 280 Grove Street, Jersey City, New Jersey 07302, a municipal corporation in the State of New Jersey and/or JERSEY CITY REDEVELOPMENT AGENCY, a redevelopment agency of the City of Jersey City, having its offices located at 30 Montgomery Street Suite 900, Jersey City, New Jersey 07302] (hereinafter called "Grantor"), and PORT AUTHORITY TRANS HUDSON CORPORATION, a wholly owned subsidiary of The Port Authority of New York and New Jersey (the "Port Authority"), a body corporate and politic established by compact between the States of New York and New Jersey with the consent of the Congress of the United States, having its offices at c/o The Port Authority of New York and New Jersey, 4 World Trade Center, 150 Greenwich Street, New York, New York 10006 (hereinafter called "Grantee").

WHEREAS, Grantor is the owner in fee simple of a certain tracts of real property situate in the City of Jersey City, County of Hudson and State of New Jersey, commonly known as and located within Block 11609, Lots 1 and 2 and within the Washington Street right-of-way. The Washington Boulevard right-of-way, and the First Street right-of-way; all as more particularly described in Exhibit A attached hereto (hereinafter the "Property"); and

WHEREAS, Grantee is a corporation which provides and operates the heavy rail rapid-transit system which serves as the primary transit link between New York City and neighboring New Jersey urban communities; and

WHEREAS, Grantor does hereby agree to convey certain permanent easements in perpetuity and a temporary easement to Grantee for its use, occupancy and enjoyment and the use, occupancy and enjoyment of its licensees, successors in interest and assigns, in connection with the provision of PATH transit services to the commuters of the States of New York and New Jersey all in accordance with and for the purposes set forth in this Indenture, for the mutual benefit of both Grantor and Grantee;

NOW THEREFORE, WITNESSETH: In consideration of these premises and the sum of ONE (\$1.00) DOLLAR, paid to the Grantor by the Grantee, the receipt of which is hereby acknowledged, and in further consideration of the mutual conditions, covenants, promises and terms hereinafter contained, it is agreed that:

1. Grant of Easements.

1.1 Permanent and Perpetual Easement. Grantor does hereby grant and convey unto Grantee, its agents, representatives, and invitees, a permanent easement in perpetuity (the "Permanent Easement"), in, under, through, upon, over and across the hereinbefore described Property of Grantor in the areas identified as "B1", "B2", and "A" shown on Drawing No. V2 attached hereto as **Exhibit B** (collectively, the "Permanent Easement Area"), with full rights, privileges and authority for Grantee to enter upon same from time to time, for the purposes set forth on Drawing No. SK001 attached hereto as **Exhibit C** as well as for the purposes of inspecting, locating, relocating, installing, altering, extending, constructing, repairing, replacing, rebuilding, removing and perpetually operating, maintaining and using existing PATH emergency tunnel egress shaft, ventilation shafts, and electrical manholes/vaults and flood protection and resiliency structures and other fixtures and appurtenances thereto necessary, including, but not limited to the construction of a building upon the easement area designated as "B1" and "B2" requiring twenty-five (25) feet of vertical clearance (hereinafter the "Facilities"), which Grantee may deem necessary or proper in its sole judgment for the conduct of its business; together with such ancillary access to, egress and ingress in, from and over all points of said Property, as is reasonable or necessary for the full use, occupancy and enjoyment of said Easement for its intended purpose. Said Permanent Easement Area and the Facilities to be installed therein are more particularly shown on Drawing No. V2 attached hereto as **Exhibit B** and made a part hereof.

1.2 Temporary Access, Staging, Laydown Easement. Grantor does hereby grant and convey to Grantee, its agents, representatives, and invitees, a temporary, non-exclusive easement (the "Temporary Access, Staging and Laydown Easement"), in, under, through, upon, over and across the portion of the hereinbefore described Property of the Grantor in the areas identified as "C" shown on Drawing No. V2 (the "Temporary Access, Staging and Laydown Easement Area"), with full rights, privileges and authority for Grantee to enter upon same from time to time, for the purpose of access and as a staging and laydown area for equipment, materials, machinery and/or vehicles to be utilized by Grantee all in connection with the construction of a new PATH substation, utility shaft, and emergency evacuation and ventilation shaft bulk head, together with such ancillary access to egress and ingress in, from and over all points of said Property, as is reasonable or necessary for full use, occupancy and enjoyment of said Temporary Access, Staging and Laydown Easement for its intended purpose. Said Temporary Access, Staging and Laydown Easement Area is more particularly shown on Drawing No. V2 attached hereto as **Exhibit B**.

1.3 Term of Temporary Access, Staging and Laydown Easement. The Temporary Access, Staging and Laydown Easement shall commence on the effective date of this Indenture and shall automatically expire upon termination of that certain Lease by and between Grantor and Grantee which is attached hereto as **Exhibit D** and made a part hereof. Upon expiration of the term of the Temporary Access, Staging and Laydown Easement, all rights and benefits of Grantee in,

to and under this Indenture with respect to the Temporary Staging and Laydown Easement shall automatically terminate and be of no further force and effect.

1.4 The Permanent Easement and the Temporary Access, Staging and Laydown Easement may hereinafter collectively be referred to as the "Easement", and the Permanent Easement Area and the Temporary Access, Staging and Laydown Easement Area may hereinafter collectively be referred to as the "Easement Area".

2. Grantor shall have the right to use, occupy and enjoy the surface and air space around the Easement Area for any purpose that does not interfere or threaten the safe, proper or convenient use, occupancy or enjoyment of same by Grantee. Grantor agrees, however, that no buildings shall be erected over or within ten (10) feet of the Facilities of Grantee except as is currently located on the Property.

3. Grantee shall install, operate, maintain, repair and replace the Facilities in a safe and efficient manner and in accordance with all applicable local, state and federal laws, rules and regulations. Grantee shall perform all work in connection with the rights, privileges and authority herein granted and conveyed in a workmanlike manner and with a minimum of inconvenience to the Grantor or its tenants, occupants, licensees, employees, agents, customers and invitees; and any damage done to the land or premises of Grantor or its tenants, occupants, licensees, employees, agents, customers and invitees shall be promptly repaired and restored to its condition immediately prior to damage, at the sole cost and expense of Grantee.

4. Grantor covenants (i) to warrant generally the rights above granted, (ii) that it will execute such further assurance of the same as may be reasonably required, and (iii) that Grantee shall have the quiet possession of the Easement free from all encumbrances.

5. Grantee shall defend and indemnify Grantor against, and shall save Grantor harmless from, and shall reimburse Grantor with respect to, any and all claims, demands, actions, causes of action, injuries, orders, losses, liabilities (statutory or otherwise), obligations, damages, fines, penalties, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) incurred by, imposed upon or asserted against Grantor by reason of any accident, injury (including death at any time resulting therefrom) or damage to any person or property arising out of or resulting from any acts or omissions of Grantee or by any employee, licensee, invitee or agent of Grantee within the Easement Area, except to the extent caused by the negligence of Grantor.

6. This Indenture shall be governed by and construed in accordance with the laws of the State of New Jersey and recorded on the title to the Property in the office of the Hudson County Register.

7. If any term or provision of this Indenture or the application thereof to any persons or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Indenture or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Indenture shall be valid and enforced to the fullest extent permitted by law.

8. This Indenture sets forth the entire agreement of the parties hereto with respect to the Easement and the terms and conditions thereof, and supersedes all prior discussions, negotiations, understandings or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this Indenture shall be valid or binding unless contained in a writing executed by the parties hereto.

9. This Indenture may be executed in counterparts, each of which shall constitute an original and all of which taken together shall be deemed one and the same instrument.

10. By the acceptance of this instrument, Grantee agrees to abide by the terms and conditions herein on its part to be performed and shall be deemed signatory hereto, and the provisions of this indenture shall inure to the benefit of and be obligatory upon the respective parties hereto and their successors and assigns.

11. Any notice, demand, request, consent, approval or communication under this Indenture (each, a "Notice") shall be in writing and sent by certified mail, return receipt requested, reliable overnight courier, fax or by email transmission, in each case with receipt, addressed as follows:

If to Grantor:

City of Jersey City
280 Grove Street
Jersey City, NJ 07302
Attn: City Clerk

Jersey City Redevelopment Agency
30 Montgomery Street Suite 900
Jersey City, NJ 07302
Attn: Business Administrator

With a copy to:

Joseph P. Baumann, Jr., Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

If to Grantee, at:

Port Authority Trans-Hudson Corporation
JSTC
One PATH Plaza
Jersey City, New Jersey 07306
Attn: Executive Director

with a copy to:

Port Authority Trans-Hudson Corporation
c/o The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
Greenwich Street
New York, New York 10007
Attn: Executive Director

with a copy to:

Port Authority Trans-Hudson Corporation
c/o The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
Greenwich Street
New York, New York 10007
Attn: General Counsel

with a copy to:

Craig A. Domalewski, Esq.
Dughi, Hewit & Domalewski, P.C.
340 North Avenue
Cranford, New Jersey 07016

A party may change the address or person to whom Notices are required to be given by providing Notice of such change in accordance with this provision.

12. Subject to the terms of this Indenture, the Easement hereby granted and the covenants and undertakings and the agreement of the parties hereto and the obligations assumed by them with respect thereto, shall be covenants running with the land, in accordance with the terms hereof and shall bind and inure to the benefit of the parties, their successors and assigns.

13. Neither the Directors of Grantee nor any individual officer or official of Grantee, the Commissioners nor any individual officer or official of the Port Authority, the Grantor nor any agent or employee of Grantor, Grantee or the Port Authority shall be charged personally by any of the others with liability, nor be held liable under any term, provision or paragraph of this Indenture or because of its execution or attempted execution or because of any breach hereof.

14. Grantor and Grantee agree that Drawing V2 attached hereto and made a part of this Indenture represent the parties' best estimates of the Easement Area based upon conceptual drawings of a new PATH substation (the "Project") to be built by Grantee for operation in or around the Easement Area and that, upon completion of the design drawings and/or construction of the Project, to the extent the Easement Area needs to be revised to encompass additional property of Grantor for the purposes set forth in this Indenture, Grantor and Grantee will work cooperatively to address Grantee's requirements which may necessitate the filing of an amended

Indenture with the Hudson County Registrar depicting revised maps and legal descriptions of the Easement Area. .

[Signature Pages to Follow]

IN WITNESS WHEREOF, Grantor and Grantee have each duly signed these presents the day and year first above written.

ATTEST:

GRANTOR:

By: _____
Name:
Title:

By: _____
Name:
Title:

STATE OF NEW JERSEY)
 : SS.
COUNTY OF HUDSON)

BE IT REMEMBERED, that on this ____ day of _____, 2018, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____ who, I am satisfied, is _____ of _____, the company named in and which executed the foregoing instrument and is the person who signed said instrument as such _____ for and on behalf of said company as the voluntary act and deed of the company. The full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within easement, as such consideration is defined in P.L. 1968, c. 49, Sec. 1(c), is less than \$100.00.

Notary

GRANTEE:

By: _____
Name: _____
Title: _____

STATE OF)
 : SS.
COUNTY OF)

BE IT REMEMBERED, that on this _____ day of _____, 2018, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____ who, I am satisfied, is _____ of _____, the corporation named in and which executed the foregoing instrument and is the person who signed said instrument as such _____ for and on behalf of said corporation as the voluntary act and deed of the corporation. The full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within easement, as such consideration is defined in P.L. 1968, c. 49, Sec. 1(c), is less than \$100.00.

Notary

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Legal Description: Easement A

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of Washington Street and more particularly described as:

BEGINNING at a point formed by the intersection of the southerly side of First Street (100' wide) with the easterly side of Washington Street (80' wide) having a NJSPCS coordinate of N = 687866.17 & E = 620617.01 and running thence:

1. Along the easterly right-of-way of Washington Street, S 8° 28' 31" W, 212.82' to the northerly right-of-way line of Bay Street; thence,
2. Along a prolongation of the northerly line and crossing Washington Street, N 81° 31' 29" W, 80' to a point on the westerly right-of-way line of Washington Street; thence,
3. Along the westerly line of Washington Street N 8° 28' 31" E, 210.90' to a point on the southerly side of First Street; thence,
4. Along a line crossing First Street, N 8° 33' 46" E, 100.03' to a point northwesterly intersection of First Street and Washington Street; thence,
5. Along the westerly line of Washington Street, N 8° 26' 46" E, 101.84' to a point; thence,
6. Along a jog in the Right-of-Way line of Washington Boulevard, N 81° 33' 14" W, 8.55' to a point on the face of a building; thence,
7. Along the face of the building, N 7° 01' 00" E, 55.02' to a point; thence,
8. Continuing the same, N 82° 30' 33" W, 3.58' to a point on the westerly right-of-way line of Washington Boulevard; thence,
9. Along the westerly line of Washington Boulevard, N 8° 26' 46" E, 42.96' to a point on the southerly side of Second Street; thence,
10. Along a line crossing Washington Boulevard, S 86° 32' 48" E, 70.68' to a point; thence,
11. Continuing along a line, S 4° 57' 45" W, 11' to a point on a curve of the proposed easterly right-of-way line of Washington Boulevard; thence,
12. Along the easterly line of Washington Boulevard with a curve to the left having a radius of 14.00', an arc length of 18.33', an included angle of 75° 00' 40" and a chord bearing S 42° 28' 06" W, 17.05' to a point of tangency; thence,
13. Continuing along said easterly line, S 4° 57' 45" W, 193.10' to a non-tangent point of curvature on the proposed northerly right-of-way line of First Street; thence,

August 10, 2018

14. Along said northerly line, with a non-tangent curve to the right having a radius of 663.95', an arc length of 55.14', an internal angle of $4^{\circ} 45' 31''$ and a chord bearing $S 79^{\circ} 26' 40'' E$, 55.13' to a non-tangent point; thence;
15. Along a line across First Street, $S 7^{\circ} 07' 43'' W$, 83.34' to a point on the southerly right-of-way line of First Street; thence,
16. Along said southerly line, $N 82^{\circ} 52' 17'' W$, 37.00' to the point of BEGINNING.

Said parcel containing 39,653 Sq. Ft./ 0.9103 Acres more or less

NIVIS

OFFICES NATIONWIDE

CONSTRUCTION QUALITY ASSURANCE • INFRASTRUCTURE • ENERGY • PROGRAM MANAGEMENT • ENVIRONMENTAL

Legal Description: Easement B1

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of Washington Street and more particularly described as:

COMMENCING at a point formed by the intersection of the southerly side of First Street (100' wide) with the easterly side of Washington Street (80' wide) having a NJSPCS coordinate of N = 687866.17 & E = 620617.01 and running thence:

- A. Along the easterly right-of-way of Washington Street, S 8° 28' 31" W, 125.17' to the TRUE point of BEGINNING.
 1. Continuing along the westerly line of Washington, S 8° 28' 31" W, 50.00' to a point; thence,
 2. Along the proposed B1 easement line; N 81° 31' 29" W, 20.00' to a point; thence,
 3. Continuing along the same, N 8° 28' 31" E, 50.00' to a point; thence,
 4. Continuing along the same, S 81° 31' 29" E, 20.00' to the point of TRUE BEGINNING.

Said parcel containing 1,000 Sq. Ft./ 0.0230 Acres more or less

Legal Description: Easement B2

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of Block 11609 Lot 1 and more particularly described as:

COMMENCING at a point formed by the intersection of the southerly side of First Street (100' wide) with the easterly side of Washington Street (80' wide) having a NJSPCS coordinate of N = 687866.17 & E = 620617.01 and running thence:

- A. Along the easterly right-of-way of Washington Street, S 8° 28' 31" W, 125.17' to the TRUE point of BEGINNING,
 1. Along the proposed easement line, S 81° 31' 29" E, 20.00' to a point; thence,
 2. Continuing along the same, S 8° 28' 31" W, 50.00' to a point; thence,
 3. Continuing along the same, N 81° 31' 29" W, 20.00' to a point on the westerly line of Washington Street; thence,
 4. Along the westerly line of Washington, N 8° 28' 31" E, 50.00' to the point of TRUE BEGINNING.

Said parcel containing 1,000 Sq. Ft./ 0.0230 Acres more or less

Legal Description: Easement C

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of Block 11609 Lot 2 and more particularly described as:

COMMENCING at a point formed by the intersection of the southerly side of First Street (100' wide) with the easterly side of Washington Street (80' wide) having a NJSPCS coordinate of N = 687866.17 & E = 620617.01 and running thence:

- A. Along the easterly right-of-way of Washington Street, S 8° 28' 31" W, 212.82' to the northerly right-of-way line of Bay Street ; thence
- B. Along the northerly line of Bay Street S 81° 46' 29" E, 249.81' to the TRUE point of BEGINNING,
1. Along the proposed easement line being the easterly face of 5-story building, N 53° 32' 23" E, 15.08' to a point; thence,
2. Continuing along the same, N 8° 02' 23" E, 37.27' to a point; thence,
3. Continuing along the same, S 80° 07' 03" E, 8.56' to a point; thence,
4. Continuing along the same, N 8° 51' 29" E 32.98', to a point; thence,
5. Continuing along the same, N 81° 05' 31" W, 8.98' to a point; thence,
6. Continuing along the same, N 8° 00' 22" E, 42.86' to a point on the lot line of Block 11609 Lot 2; thence,
7. Along the lot line, S 81° 46' 29" E, 54.00' to a non-tangent point on a curve of the westerly right-of-way line of Greene Street; thence,
8. Along the westerly line of Greene Street with a curve to right having a radius of 306.10', an arc length of 139.57', an internal angle of 26° 07' 32" and a chord bearing S 18° 31' 12" E, 138.37' to a non-tangent point on the northerly right-of-way line of Bay Street; thence,
9. Along the northerly line of Bay Street, N 81° 46' 29" W, 126.65' to the point of TRUE BEGINNING.

Said parcel containing 10,997 Sq. Ft./ 0.2525 Acres more or less

EXHIBIT B
DRAWINGS - EASEMENT AREA

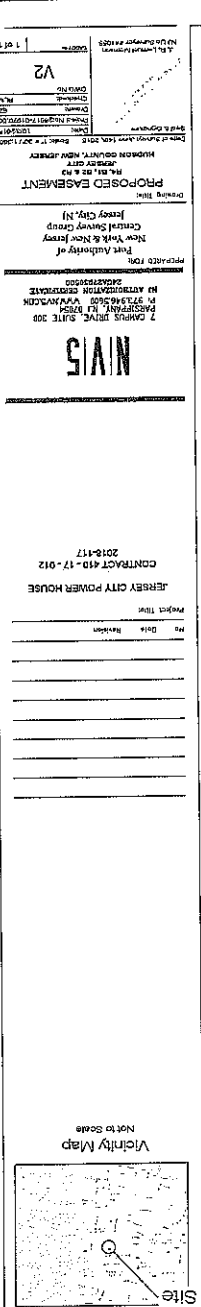


EXHIBIT C
EASEMENT USES

Description
Block 11603 Lot 37

BEGINNING AT THE INTERSECTION FORMED BY THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET, 100 FEET WIDE, AND THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 80 FEET WIDE, AND RUNNING; THENCE

1. ALONG THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, NORTH 08° 26' 46" EAST, 99.59 FEET; THENCE,
2. CONTINUING ALONG THE EAST LINE OF WASHINGTON STREET WHERE IT WIDENS TO 107.00 FEET WIDE, AND ALONG THE SOUTHERLY LINE OF LOT 38, BLOCK 11603, SOUTH 82° 53' 04" EAST, 58.42 FEET; THENCE,
3. SOUTHEASTERLY ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET, SOUTH 32° 57' 27" EAST, 130.64 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE,
4. ALONG THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET, NORTH 82° 53' 04" WEST, 144.84 FEET TO THE POINT AND PLACE OF BEGINNING.

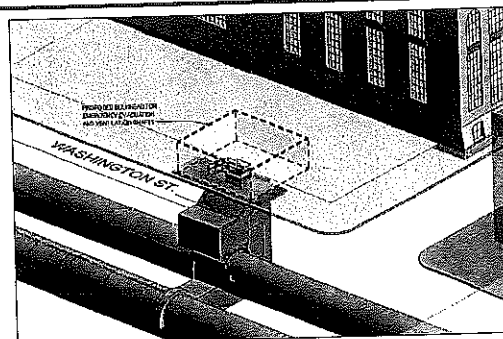
CONTAINING: 10,159 SQUARE FEET OR 0.233 ACRES OF LAND, MORE OR LESS,
BEING A PORTION OF LAND AS DESCRIBED IN DEED BOOK 4566, PAGE 230, TRACT 1L

Description
Block 11603 Lot 38

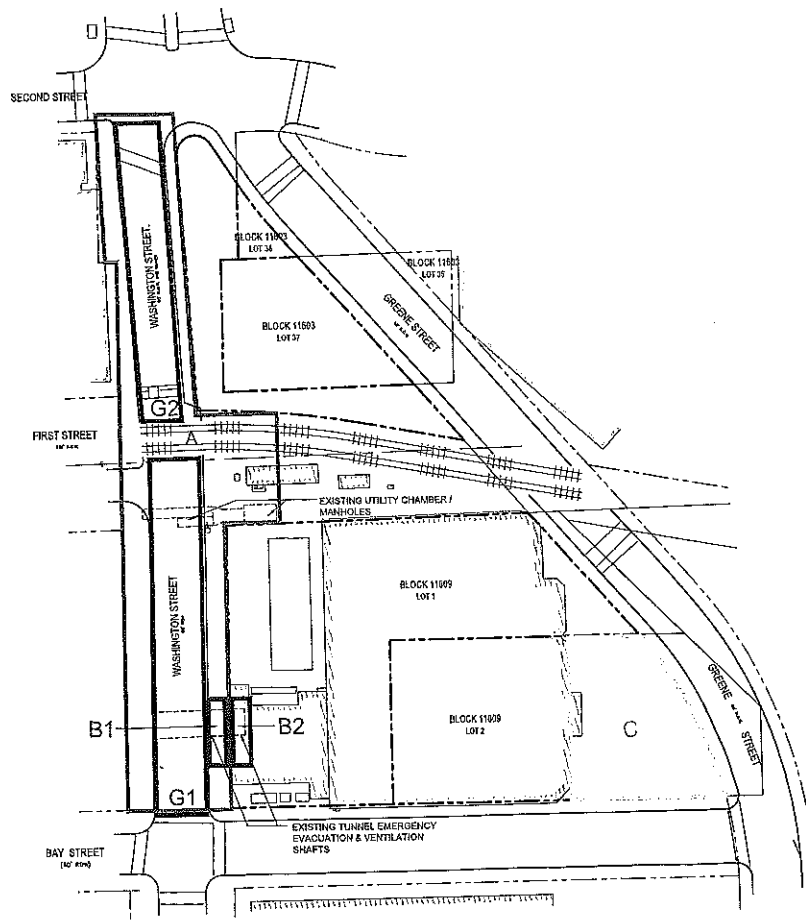
BEGINNING AT THE INTERSECTION FORMED BY THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 107 FEET WIDE, AND THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET, 58 FEET WIDE, AND RUNNING; THENCE

1. ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET ON A CURVE TO THE LEFT WITH A RADIUS OF 365.97 FEET, AN ARC LENGTH OF 50.49 FEET A CENTRAL ANGLE OF 07° 50' 52" AND A CHORD BEARING SOUTH 28° 59' 01" EAST, 50.45 FEET; THENCE,
2. CONTINUING ALONG SAME, SOUTH 32° 57' 27" EAST, 23.54 FEET; THENCE,
3. ALONG THE NORTHERLY LINE OF LOT 37, BLOCK 11603, NORTH 82° 53' 04" WEST, 44.92 FEET; THENCE,
4. ALONG THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 107 FEET WIDE, NORTH 08° 26' 46" EAST, 57.26 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 3,218 SQUARE FEET OR 0.028 ACRES OF LAND, MORE OR LESS,
BEING A PORTION OF LAND AS DESCRIBED IN DEED BOOK 7405, PAGE 106.



B1 & B2: PROPOSED BULKHEAD FOR EMERGENCY EVACUATION AND VENTILATION SHAFTS



DETAILED NARRATIVE OF THE REQUIRED EASEMENTS AND STREET CLOSURES FOR THE POWERHOUSE AGREEMENT:

PERMANENT AND PERPETUAL EASEMENTS:

- A: EASEMENT FOR UNDERGROUND UTILITY DUCKBANKS FROM THE NORTHERN TIP OF THE TRIANGLE PROPERTY TO BAY STREET. THIS IS TO INSTALL UNDERGROUND UTILITIES/ DUCT BANKS/CHAMBERS FROM THE PROPOSED PATH SUBSTATION ON THE TRIANGULAR PROPERTY TO THE EXISTING MANHOLES/CHAMBERS/SHAFTS LOCATED ABOVE/BELOW GRADE OF WASHINGTON STREET/SIDWALK. THIS IS TO INSTALL UTILITIES TO THE UNDERGROUND PATH TUNNELS REQUIRED FOR OPERATION OF THE PATH RAIL SYSTEM AND TO MAINTAIN THE BUILT INFRASTRUCTURE IN THE FUTURE.
- B1: SIDEWALK EASEMENT OF 20 FEET X 50 FEET FOR CONSTRUCTION OF BULKHEAD - SEE NOTE BELOW
- B2: POWERHOUSE PROPERTY EASEMENT 20 FEET X 50 FEET FOR CONSTRUCTION OF BULKHEAD - SEE NOTE BELOW
- NOTE: EASEMENTS B1 & B2 ARE REQUIRED FOR CONSTRUCTION OF A SINGLE PERMANENT BULKHEAD STRUCTURE OF APPROXIMATELY 40 FEET X 50 FEET WITH 25 FEET HIGH ABOVE GRADE (VERTICAL EASEMENT). THIS STRUCTURE WILL BE CONSTRUCTED ABOVE THE EXISTING UNDERGROUND TUNNEL EMERGENCY EVACUATION/VENTILATION SHAFTS THAT ARE INTEGRAL PART OF THE ACTIVE PATH RAIL SYSTEM INFRASTRUCTURE. THE BULKHEAD IS REQUIRED TO MAINTAIN TUNNEL EMERGENCY EGRESS AND VENTILATION REQUIREMENTS AND ALSO MAINTAIN EXISTING/NEW UTILITIES IN THE SHAFTS

TEMPORARY EASEMENT AND STREET CLOSURE REQUIRED DURING CONSTRUCTION

- G: EASEMENT FOR TEMPORARY LAYDOWN AREA
- G1 & G2: STREET AND SIDEWALK CLOSURE DURING CONSTRUCTION OF THE PROPOSED SUBSTATION BUILDING ON THE TRIANGULAR PROPERTY, AND CONSTRUCTION OF UNDERGROUND UTILITIES/DUCT BANKS/CHAMBERS FROM THE PROPOSED PATH SUBSTATION ON THE TRIANGULAR PROPERTY TO THE EXISTING MANHOLES/CHAMBERS/SHAFTS LOCATED ABOVE/BELOW GRADE OF WASHINGTON STREET/SIDWALK, AND DURING CONSTRUCTION OF BULKHEAD FOR EMERGENCY EVACUATION AND VENTILATION SHAFTS

PATH SUBSTATION 2
EASEMENT MAP WITH DETAILS
NARRATIVE



THE PORT AUTHORITY OF NY & NJ

PATH WASHINGTON STREET

Discipline

ARCHITECTURE

NOT TO SCALE

09/27/18

Date

PATH-021.092

Contract Number

12951000

PIB Number

1 of 1

Drawing Number

SK001

Designed by Drawn by Checked by

EXHIBIT D

LEASE AGREEMENT

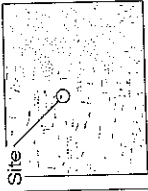
Legal Description: Easement C

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of Block 11609 Lot 2 and more particularly described as:

COMMENCING at a point formed by the intersection of the southerly side of First Street (100' wide) with the easterly side of Washington Street (80' wide) having a NJSPCS coordinate of N = 687866.17 & E = 620617.01 and running thence:

- A. Along the easterly right-of-way of Washington Street, S 8° 28' 31" W, 212.82' to the northerly right-of-way line of Bay Street ; thence
 - B. Along the northerly line of Bay Street S 81° 46' 29" E, 249.81' to the TRUE point of BEGINNING,
1. Along the proposed easement line being the easterly face of 5-story building, N 53° 32' 23" E, 15.08' to a point; thence,
 2. Continuing along the same, N 8° 02' 23" E, 37.27' to a point; thence,
 3. Continuing along the same, S 80° 07' 03" E, 8.56' to a point; thence,
 4. Continuing along the same, N 8° 51' 29" E 32.98', to a point; thence,
 5. Continuing along the same, N 81° 05' 31" W, 8.98' to a point; thence,
 6. Continuing along the same, N 8° 00' 22" E, 42.86' to a point on the lot line of Block 11609 Lot 2; thence,
 7. Along the lot line, S 81° 46' 29" E, 54.00' to a non-tangent point on a curve of the westerly right-of-way line of Greene Street; thence,
 8. Along the westerly line of Greene Street with a curve to right having a radius of 306.10', an arc length of 139.57', an internal angle of 26° 07' 32" and a chord bearing S 18° 31' 12" E, 138.37' to a non-tangent point on the northerly right-of-way line of Bay Street; thence,
 9. Along the northerly line of Bay Street, N 81° 46' 29" W, 126.65' to the point of TRUE BEGINNING.
- Said parcel containing 10,997 Sq. Ft./ 0.2525 Acres more or less

EXHIBIT B
DRAWINGS - EASEMENT AREA



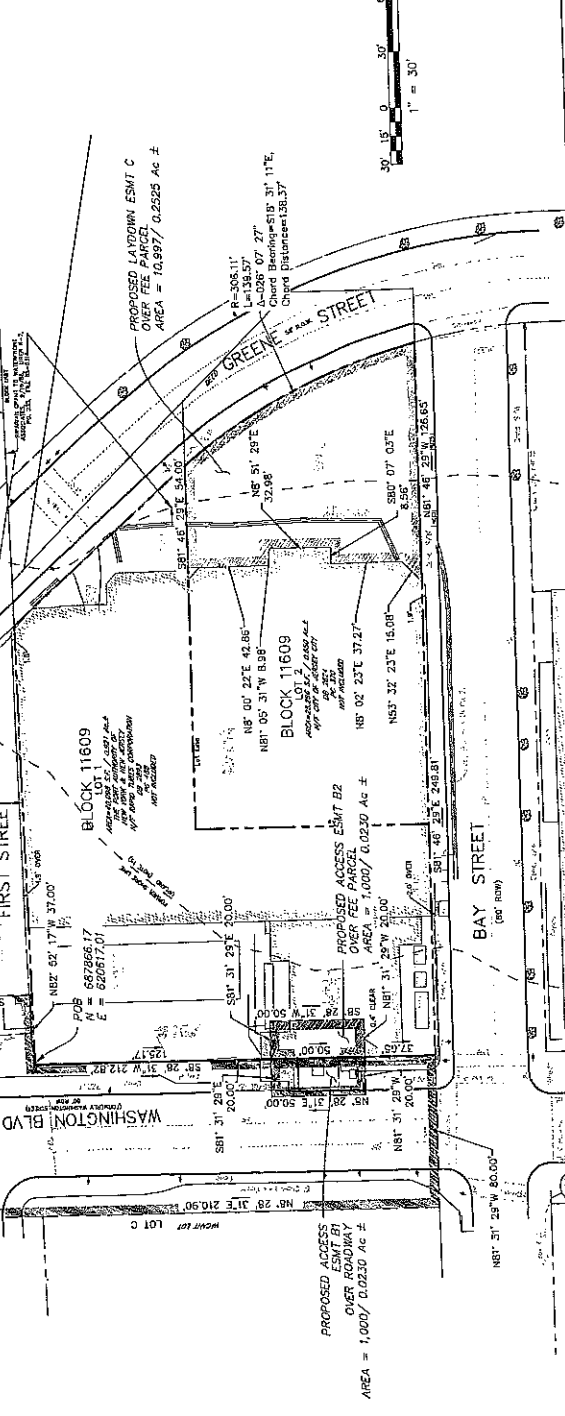
Vicinity Map
Not to Scale

Section B1 & B2
Tunnel Access Easement

General Notes:
1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.

Section C
Temporary Laydown Easement

General Notes:
1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.



PROPOSED ACCESS OVER ROADWAY
AREA = 1,000 / 0.0230 AC ±

PROPOSED LAYDOWN ESMIT C
OVER FEE 10,897 / 0.2525 AC ±

PROPOSED ACCESS ESMIT B2
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B1
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B3
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B4
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B5
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B6
OVER FEE 1,000 / 0.0230 AC ±

PROPOSED ACCESS ESMIT B7
OVER FEE 1,000 / 0.0230 AC ±

General Notes

1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.

General Notes

1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.

General Notes

1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.

General Notes

1. All dimensions are in feet and inches, unless otherwise noted.
2. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
3. The easement is for a term of 10 years, unless otherwise noted.
4. The easement is subject to the terms and conditions of the easement agreement.
5. The easement is for the purpose of installing and operating a tunnel boring machine (TBM) and associated equipment.
6. The easement is for a term of 10 years, unless otherwise noted.
7. The easement is subject to the terms and conditions of the easement agreement.

EXHIBIT C
EASEMENT USES

Description
Block 11603 Lot 37

BEGINNING AT THE INTERSECTION FORMED BY THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET, 100 FEET WIDE, AND THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 80 FEET WIDE, AND RUNNING; THENCE

1. ALONG THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, NORTH 08° 20' 40" EAST, 59.99 FEET; THENCE,
2. CONTINUING ALONG THE EAST LINE OF WASHINGTON STREET WHERE IT WIDENS TO 107.00 FEET WIDE, AND ALONG THE SOUTHERLY LINE OF LOT 38, BLOCK 11603, SOUTH 82° 53' 04" EAST, 58.42 FEET; THENCE,
3. SOUTHEASTERLY ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET, SOUTH 22° 52' 27" EAST, 330.64 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE,
4. ALONG THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET, NORTH 82° 53' 04" WEST, 344.84 FEET TO THE POINT AND PLACE OF BEGINNING.

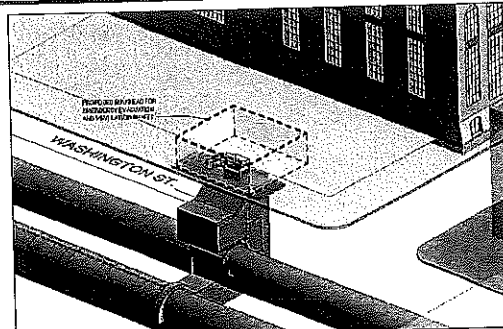
CONTAINING: 10,359 SQUARE FEET OR 0.238 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LAND AS DESCRIBED IN DEED BOOK 4566, PAGE 230, TRACT II.

Description
Block 11603 Lot 38

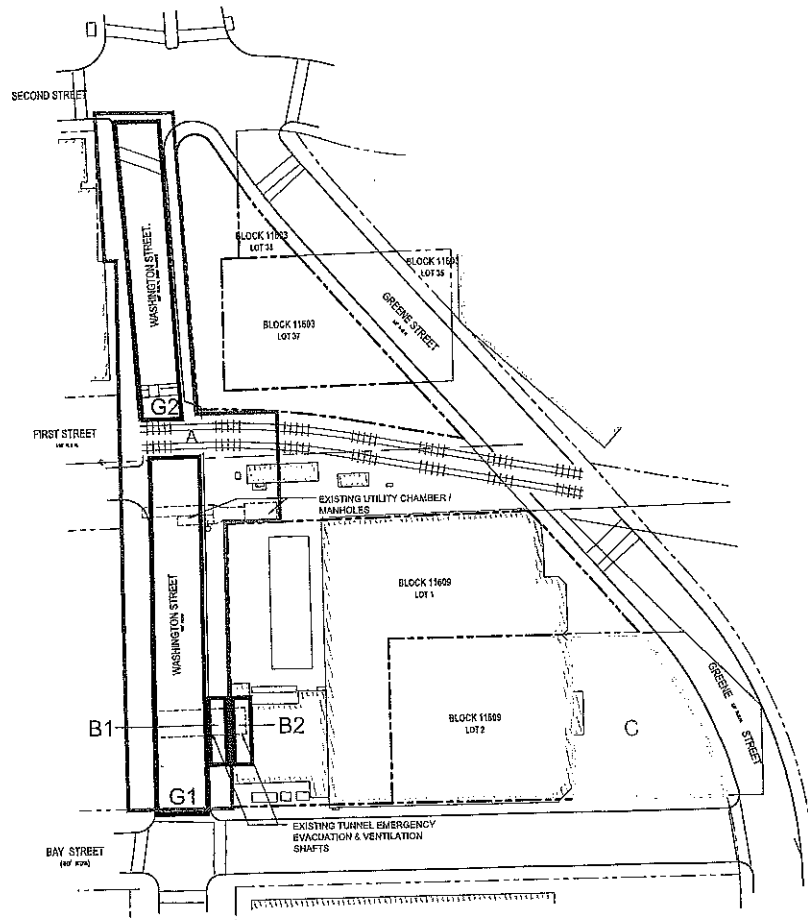
BEGINNING AT THE INTERSECTION FORMED BY THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 107 FEET WIDE, AND THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET, 58 FEET WIDE, AND RUNNING; THENCE

1. ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF GREENE STREET ON A CURVE TO THE LEFT WITH A RADIUS OF 303.97 FEET, AN ARC LENGTH OF 50.49 FEET A CENTRAL ANGLE OF 07° 56' 52" AND A CHORD BEARING SOUTH 28° 59' 01" EAST, 50.45 FEET; THENCE,
2. CONTINUING ALONG SAME, SOUTH 32° 57' 27" EAST, 21.54 FEET; THENCE,
3. ALONG THE NORTHERLY LINE OF LOT 37, BLOCK 11603, NORTH 82° 53' 04" WEST, 44.82 FEET; THENCE,
4. ALONG THE EASTERLY RIGHT OF WAY LINE OF WASHINGTON BOULEVARD, 107 FEET WIDE, NORTH 08° 20' 40" EAST, 57.26 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 1,218 SQUARE FEET OR 0.028 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LAND AS DESCRIBED IN DEED BOOK 7409, PAGE 305.



B1 & B2: PROPOSED BULKHEAD FOR EMERGENCY EVACUATION AND VENTILATION SHAFTS



DETAILED NARRATIVE OF THE REQUIRED EASEMENTS AND STREET CLOSURES FOR THE POWERHOUSE AGREEMENT:

PERMANENT AND PERPETUAL EASEMENTS:

- A: EASEMENT FOR UNDERGROUND UTILITY DUCKBANKS FROM THE NORTHERN TIP OF THE TRIANGULAR PROPERTY TO BAY STREET. THIS IS TO INSTALL UNDERGROUND UTILITIES/ DUCT BANKS/CHAMBERS FROM THE PROPOSED PATH SUBSTATION ON THE TRIANGULAR PROPERTY TO THE EXISTING MANHOLES/CHAMBERS/SHAFTS LOCATED ABOVE/BELOW GRADE OF WASHINGTON STREET/SIDEWALK. THIS IS TO INSTALL UTILITIES TO THE UNDERGROUND PATH TUNNELS REQUIRED FOR OPERATION OF THE PATH RAIL SYSTEM AND TO MAINTAIN THE BUILT INFRASTRUCTURE IN THE FUTURE.
- B1: SIDEWALK EASEMENT OF 20 FEET X 50 FEET FOR CONSTRUCTION OF BULKHEAD - SEE NOTE BELOW
- B2: POWERHOUSE PROPERTY EASEMENT 20 FEET X 50 FEET FOR CONSTRUCTION OF BULKHEAD - SEE NOTE BELOW
- NOTE: EASEMENTS B1 & B2 ARE REQUIRED FOR CONSTRUCTION OF A SINGLE PERMANENT BULKHEAD STRUCTURE OF APPROXIMATELY 40 FEET X 50 FEET WITH 25 FEET HIGH ABOVE GRADE (VERTICAL EASEMENT). THIS STRUCTURE WILL BE CONSTRUCTED ABOVE THE EXISTING UNDERGROUND TUNNEL EMERGENCY EVACUATION/VENTILATION SHAFTS THAT ARE INTEGRAL PART OF THE ACTIVE PATH RAIL SYSTEM INFRASTRUCTURE. THE BULKHEAD IS REQUIRED TO MAINTAIN TUNNEL EMERGENCY EGRESS AND VENTILATION REQUIREMENTS AND ALSO MAINTAIN EXISTING/NEW UTILITIES IN THE SHAFTS

TEMPORARY EASEMENT AND STREET CLOSURE REQUIRED DURING CONSTRUCTION

- C: EASEMENT FOR TEMPORARY LAYDOWN AREA
- G1 & G2: STREET AND SIDEWALK CLOSURE DURING CONSTRUCTION OF THE PROPOSED SUBSTATION BUILDING ON THE TRIANGULAR PROPERTY, AND CONSTRUCTION OF UNDERGROUND UTILITIES/DUCT BANKS/CHAMBERS FROM THE PROPOSED PATH SUBSTATION ON THE TRIANGULAR PROPERTY TO THE EXISTING MANHOLES/CHAMBERS/SHAFTS LOCATED ABOVE/BELOW GRADE OF WASHINGTON STREET/SIDEWALK, AND DURING CONSTRUCTION OF BULKHEAD FOR EMERGENCY EVACUATION AND VENTILATION SHAFTS

PATH SUBSTATION 2
EASEMENT MAP WITH DETAILS
NARRATIVE



THE PORT AUTHORITY OF NY & NJ

PATH
WASHINGTON STREET

Discipline ARCHITECTURE
Date 09/27/18
PATH-021.092
Contract Number 12851000
FD Number

1 of 1
Drawing Number SK001

Designed by Drawn by Checked by

EXHIBIT D

LEASE AGREEMENT

**AGREEMENT FOR PURCHASE, SALE
AND EXCHANGE OF REAL PROPERTY**

AGREEMENT FOR PURCHASE, SALE AND EXCHANGE OF REAL PROPERTY (the “**Agreement**”) made this _____, 2018 (the “**Effective Date**”), by and between **Port Authority Trans-Hudson Corporation**, a wholly owned subsidiary of **The Port Authority of New York and New Jersey** (the “**Port Authority**”), a body corporate and politic established by compact between the States of New York and New Jersey with the consent of the Congress of the United States (“**Purchaser**” or “**PATH**”), having its offices c/o The Port Authority of New York and New Jersey, 4 World Trade Center, 150 Greenwich Street, New York, New York 10007, and **City of Jersey City** a municipal corporation in the State of New Jersey (the “**City**”) having its offices at 280 Grove Street, Jersey City, New Jersey 07030 and The Jersey City Redevelopment Agency, a redevelopment agency of the City of Jersey City (the “**Agency**”) having its offices located at 30 Montgomery Street Suite 900, Jersey City, New Jersey 07302 (collectively, “**Seller**” or “**Sellers**”).

1.0 Background

1.1 Sellers are the owners or the holders in public trust of certain real property located in the City of Jersey City, County of Hudson, New Jersey identified on the tax map of Jersey City as:

(a). Block 11603, Lot 37 being owned by the City, as further described in **Schedule A-1** hereto;

(b). Block 11603, Lot 38 shown as being owned by the Agency, as further described in **Schedule A-2** hereto; and

(c). That L-shaped portion of the Washington Street/Washington Boulevard and First Street right-of-way directly adjacent to Block 11603, Lots 37 and 38 shown as being owned by the City, as further described in **Schedule A-3** hereto (the “**L-Shaped ROW**”).

The aforementioned parcels identified in (a), (b) and (c) of this Section 1.1 which total approximately 21,629 s.f. are hereinafter referred to as the “**Property**”.

1.2 Purchaser is the owner of a portion of property known as the Powerhouse Building (the “**Powerhouse**”), identified on the tax map of Jersey City as Block 11609, Lot 1, as further described in **Schedule A-4** hereto (the “**Old PATH Parcel**”).

1.3 The City, acting pursuant to the *Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq.* (the “**Act**”) and following the procedures set forth therein, (i) has declared certain designated areas of the City, including the Property, to be in need of redevelopment as that term is used in the Act (the “**Redevelopment Area**”); and (ii) has adopted the *Hudson Exchange Redevelopment Plan* dated November, 1983 (as revised as of November, 2004, and as thereafter amended, the “**Redevelopment Plan**”) to govern the redevelopment and improvement of the Redevelopment Area.

1.4 Purchaser has determined that it is in the best interest for the efficient and cost effective operation of the PATH system, to relocate and construct a new PATH substation (the “**New Substation**”) at the Property and that the Old PATH Parcel is no longer required by PATH for use as the site of a power distribution substation for the PATH system.

1.5 Subject to and upon the terms and conditions set forth herein, Seller desires to convey the Property including by vacating certain portions of the Washington Street/Washington Boulevard and First Street Rights of Way identified in Section 1.1(c) of this Agreement, in “AS-IS” condition, in exchange for (i) the Old PATH Parcel owned by Purchaser, in “AS IS” condition, and (ii) payment in the amount of \$17,750,000.

2.0 Agreement to Sell

2.1 Sellers agree to sell the Property to Purchaser and Purchaser agrees to buy the Property from Sellers upon the terms and conditions set forth below.

(i) The City and/or the JCRA, as applicable, shall also convey any utility easements necessary to connect the New Substation to the existing PATH system. Utility easements shall mean overhead electric, telephone and cable television lines or underground electric, water, sewer telephone and cable television lines, which do not interfere with the present or proposed use of the Property, service the Property and are located within the perimeters of the Property.

(ii) Following conveyance of the Old Path Parcel in accordance with Section 4.0 of this Agreement, Seller (or a designee of Seller) and Purchaser shall enter into a lease back agreement in the form attached hereto as **Exhibit 1** pursuant to which Purchaser leases the Old PATH Parcel back from Seller or a designee of Seller for a term of up to four years, with an option to renew for an additional period of four years, to be used by Purchaser until a new substation can be constructed on the Property and which sets forth the parties respective obligations in connection with stabilization, decommissioning, and environmental remediation of the Old PATH Parcel upon termination (the “**Leaseback Agreement**”).

(iii) Seller and Purchaser shall enter into an easement agreement in the form attached hereto as **Exhibit 2** pursuant to which Seller provides to Purchaser (i) a permanent and perpetual easement for the benefit of Purchaser granting unrestricted

access to the existing and proposed PATH emergency tunnel egress shafts and electrical manholes/vaults located at the Powerhouse, including the Old PATH parcel, and on portions of Washington Street, Washington Boulevard, and First Street and to perform flood protection and resiliency work for the New Substation, and (ii) temporary easements relating to lay down, staging and other construction activities to be undertaken by Purchaser in connection with the New Substation, all as indicated on the plans attached to the Easement Agreement (the “**Easement Agreement**”).

(iv) Seller and/or Seller’s designees, and Purchaser and/or the Port Authority, shall enter into an agreement in the form attached hereto as **Exhibit 3** (the “**Future Revenue Agreement**”) setting forth the obligations of the parties with respect to future revenue share arrangements.

(v) Seller shall vacate and take all action necessary to vacate the L-Shaped ROW such that the L-Shaped ROW will be merged into and included within adjacent Block 11603, Lots 37 and/or 38, as applicable.

3.0 Property to be Conveyed to Purchaser

The Property consists of the property on the tax maps of the City, as more particularly described by the metes and bounds descriptions attached hereto as **Schedule A-1, Schedule A-2, and Schedule A-3**, together with the (i) privileges contained and appurtenances thereto appertaining, including but not limited to all right, title and interest of Sellers in and to any water rights, mineral rights, air rights, rights of surface support, adjoining strips and gores, and easements and rights-of-way incidental thereto; and (ii) all improvements in, on or above the Property.

4.0 Consideration for Purchase

In consideration for the sale of the Property by Sellers and the purchase of the Property by Purchaser, Purchaser shall on the Closing Date (as hereinafter defined) convey to Seller the following:

(i) payment of cash consideration in the amount of **SEVENTEEN MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$17,750,000)** (the “**Purchase Price**”), payable in three (3) equal annual installments of \$5,916,666.67 with the first installment to be paid on the Closing Date, and each of the two remaining installments to be paid, respectively, on the first and second anniversary of the Closing Date;

(ii) the Old PATH Parcel, in “AS IS, WHERE IS” condition; and

(iii) The provisions of this Section 4.0 shall survive the Closing (defined below) and its provisions shall not be merged by reason of any Deeds (defined below) transferring title to any portion of the Property.

5.0 Title, Survey

5.0 Title to the Property.

(i) As a condition to the Closing, Acres Land Title Agency, Inc, as agent for Chicago Title Company (the "Title Company") shall have committed to insure Purchaser as the fee simple owner of the Property in the amount of the Purchase Price by issuance of an ALTA owner's title insurance policy (the "**Owner's Policy**") containing the Standard Endorsements (as hereinafter defined) and in the standard form issued by the Title Company in the State of New Jersey, subject only to the Permitted Exceptions (as hereinafter defined).

(ii) Purchaser shall order, at its cost and expense, a commitment for an owner's fee simple title insurance policy or policies with respect to the Property (the "**Title Commitment**") from the Title Company. Seller agrees and acknowledges that Purchaser has provided a copy of the Title Commitment, together with true, legible and complete copies of all instruments giving rise to any defects or exceptions to title to the Property, to Seller's attorneys. If any exception(s) to title to the Property should appear in the Title Commitment other than the Permitted Exceptions (such exception(s) being herein called, collectively, the "**Title Objections**"), subject to which Purchaser is unwilling to accept title, and Purchaser shall provide Seller with notice (the "**Title Objection Notice**") thereof, Seller may undertake to eliminate the same subject to the terms and conditions of this Section 5.0.

(iii) Seller shall have fifteen (15) days after receipt of the Title Objection Notice (herein, the "**Title Cure Period**") to notify Purchaser, in writing (the "**Title Response Notice**") that Seller either (i) will make good faith attempt to remove such Title Objections, (ii) will arrange for title insurance, without special premium to Purchaser, insuring against enforcement of such Title Objections against, or collection of the same out of, the Property, and shall convey title to the Property in accordance with the terms of this Agreement on or before the Closing Date or (iii) elects not to cause such Title Objections to be removed from the Property. In the event Seller is unable or elects not to remove the Title Objections or arrange for such title insurance, in either case, prior to Closing, Purchaser shall have the right, for such inability of Seller, to either (x) terminate this Agreement by written notice delivered to Seller, or (y) accept title to the Property subject to such Title Objections without an abatement in or credit against the Purchase Price.

(iv) Purchaser shall have ten (10) days following the date it receives the Title Response Notice making such election, within which to notify Seller in writing that Purchaser elects either (x) or (y) above. If Purchaser makes the election set forth in clause (x) above, then this Agreement shall immediately terminate and Seller and Purchaser shall have no further rights or obligations hereunder, except for the provisions hereof that expressly survive the Closing. If Purchaser fails to notify Seller in writing of its election within said ten (10) day period, then Purchaser shall be deemed to have made the election set forth in clause (y) above.

(v) If, on the Closing Date, there are any liens or encumbrances that Seller is obligated to discharge under this Agreement, Seller shall have the right (but not the obligation) to use any portion of the Purchase Price to pay and discharge the same, either by way of payment or by alternative manner reasonably satisfactory to the Title Company and Purchaser, and the same shall not be deemed to be Title Objections.

5.1 Permitted Exceptions to Title. The Property shall be sold and conveyed subject to the following exceptions to title (the "**Permitted Exceptions**");

(i) such matters as the Title Company shall be willing to omit as exceptions to coverage, or insure against collection out of or enforcement against the Property with respect to the Owner's Policy issued by the Title Company on the Closing Date;

(ii) utility easements of record which do not interfere with the present or proposed use of the Property and service the Property and are located within the perimeters of the Property; and

(iii) any other matter or thing affecting title to the Property that Purchaser shall have agreed to waive as a Title Objection.

5.2 Survey. Purchaser shall promptly order, at its cost and expense, and cause to be delivered to Seller simultaneously with the delivery of same to Purchaser, at Purchaser's cost and expense, a new survey of the Property prepared by a surveyor registered in the State of New Jersey, certified by said surveyor as having been prepared in accordance with the minimum detail requirements of the ALTA land survey requirements.

6.0 **[Intentionally Omitted]**

7.0 **Performance by the Parties**

7.1 Performance by Seller. The performance and observance by Seller of all covenants and agreements of this Agreement to be performed or observed by Seller prior to or on the Closing Date shall be a condition precedent to Purchaser's obligation to purchase the Property.

7.2 Bulk Sales. Notwithstanding anything to the contrary in this Agreement and if required by statutory law, Seller agrees to provide Purchaser with all information needed to notify the New Jersey Division of Taxation Bulk Sales Unit (the "Bulk Sales Unit") as to the sale of the Property from Seller to Purchaser pursuant to New Jersey law and comply with the conditions imposed by the Bulk Sales Unit. Seller shall indemnify and hold harmless Purchaser from any loss or liability arising out of N.J.S.A. 54:50-38. Nothing in this Agreement shall be interpreted to subject the Port Authority or Purchaser to the jurisdiction of any governmental authority to which the Port

Authority or Purchaser would not otherwise be subject to in view of its bi-state governmental status, or that would or could be expected to impose additional liabilities on the Port Authority or Purchaser, and nothing contained herein shall be deemed or construed as a submission by the port Authority or Purchaser to the application to the Port Authority or Purchaser of any governmental laws.

7.3 Performance by Purchaser. The performance and observance by Purchaser of all covenants and agreements of this Agreement to be performed or observed by Purchaser prior to or on the Closing Date shall be a condition precedent to Seller's obligation to sell the Property.

8.0. Closing of Title

The closing (the "**Closing**") of the sale and purchase contemplated herein shall occur within thirty (30) days of the execution of this Agreement (the "**Closing Date**"), at the offices of Dughi, Hewit & Domalewski, P.C. located at 340 North Avenue, Cranford, New Jersey 07016.

8.1 Seller Deliveries. At the Closing and as a condition of closing, Sellers shall deliver or cause to be delivered to Purchaser the following items executed and acknowledged by Sellers, as appropriate:

(a) Bargain and Sale Deeds with Covenants against Grantor's Acts for the Property, each in recordable form ("**Deeds**") and in the form approved by Purchaser's Title Company.

(b) The Property is delivered free of any and all personal property, tenants or other occupants, and except as otherwise acceptable to the Purchaser, no third persons shall have any lease, license, easement or other right to occupy or use, or contractual interest in or with respect to, the Property.

(c) A bill of sale, if necessary.

(d) A certification of non-foreign status, if necessary.

(e) All existing surveys, blueprints, drawings, plans and specifications for or with respect to the Property or any part thereof, to the extent the same are in Seller's possession.

(f) All applicable deed or transfer tax forms, if any.

(g) Such further instruments or documents as may be necessary to record the Deeds and/or effectuate closing of title as reasonably required by Purchaser or Purchaser's Title Company.

(h) Evidence reasonably satisfactory to the Title Company and Purchaser respecting the due organization of Seller and the due authorization and execution by Seller of this Agreement and the documents required to be delivered hereunder.

(i) the Leaseback Agreement, fully executed by the parties thereto.

(j) the Easement Agreement, fully executed by the parties thereto.

(k) the Future Revenue Agreement, fully executed by the parties thereto.

(l) A letter from the Jersey City Zoning Officer, in substantially the same form as **Exhibit 4** hereto that as of the Closing, the development to be undertaken by Purchaser of the New Substation at the Property is not and shall not be subject to any zoning or planning review and approval process and is specifically exempt from the provisions of the Municipal Land Use Law, N.J.S.A. 40:55D-1 *et. seq.* (the “**MLUL**”), including any ordinances promulgated thereunder.

(m) A certificate of Seller dated as of the Closing Date certifying that the representations of Seller set forth in Section 11.1 of this Agreement shall remain true and correct as of the Closing Date.

(n) Execution and delivery by the City of the following documents in connection with settlement by the City and Purchaser of certain PILOT litigation:

(i) Settlement Agreement and Release of All Claims in the Matter of The City of Jersey City v. The Port Authority of New York and New Jersey and The Port Authority Trans-Hudson Corporation;

(ii) Agreement for the Voluntary Payment in Lieu of Taxes (PILOT) Between The Port Authority of New York and New Jersey and The City of Jersey City (Two Montgomery Street);

(iii) Agreement for the Voluntary Payment in Lieu of Taxes (PILOT) Between The Port Authority Trans-Hudson Corporation and The City of Jersey City (100 Academy Street and 90 Columbus Drive); and

(iv) Stipulation of Dismissal.

(o) evidence satisfactory to the Purchaser and the Title Company that the L-Shaped ROW has been merged into and included within adjacent Block 11603, Lots 37 and/or 38, as applicable.

8.2 Purchaser Deliveries. At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following items executed and acknowledged by Purchaser, as appropriate:

(a) Payment of \$5,916,666.67, representing the first installment of the cash consideration in accordance with Section 4 above.

(b) Deed to the Old PATH Parcel.

(c) A certificate of Purchaser dated as of the Closing Date certifying that the representations of Purchaser set forth in Section 11.2 of this Agreement shall remain true and correct as of the Closing Date.

(d) All applicable transfer tax forms, if any.

(e) Evidence reasonably satisfactory to Seller and the Title Company respecting the due organization of Purchaser and the due authorization and execution by Purchaser of this Agreement and the documents required to be delivered hereunder.

8.3 Closing Costs. Purchaser shall pay (a) the title insurance examination fees and title insurance premiums for the Owner's Policy, (b) the cost of the Purchaser requested title endorsements, (c) the costs of the new survey (or of an update to the existing survey of the Property, as applicable), (d) all recording charges payable in connection with the recording of the Deeds, if any, and (e) all fees, costs or expenses in connection with Purchaser's due diligence reviews hereunder. Seller shall pay all recording charges payable in connection with the recording of the Old PATH Parcel Deed, and any title insurance examinations and premiums, survey costs, or any other costs associate with any investigations Seller may perform with respect to the Old Path Parcel. Except as expressly provided in the indemnities set forth in this Agreement, Seller and Purchaser shall pay their own respective legal, consulting and other professional fees and expenses incurred in connection with this Agreement and the transaction contemplated hereby and their respective shares of prorations as hereinafter provided. The provisions of this Section 8.3 shall survive the Closing or a termination of this Agreement.

8.4 Prorations. As applicable and agreed between the parties, costs and expenses shall be prorated between Seller and Purchaser as of 12:01 a.m. on the Closing Date which are customarily apportioned between sellers and purchasers of real properties of a type similar to the Property and located in the State of New Jersey.

9.0 Right-of-Way Vacation/Sidewalk Relocation

9.1 Purchaser shall be required and permitted to close portions of Washington Street and Washington Boulevard adjacent to the Property and Washington Street adjacent to the Old PATH Parcel in connection with and during the development of

the New Substation at the Property. Seller shall, in good faith, cooperate with Purchaser in connection with such closure.

9.2 Purchaser shall undertake to relocate the sidewalk curb at Washington Street between First Street and Bay Street in accordance with the **Exhibit 5** attached hereto in order to accommodate certain easements granted by Seller to Purchaser in the Easement Agreement. Seller shall, in good faith, cooperate with Purchaser in connection with such sidewalk relocation.

10.0 Right of Entry Prior to Closing.

10.1 Purchaser's Right of Entry Prior to Closing. Seller and Purchaser acknowledge that prior to Closing the City and/or the JCRA shall permit Purchaser to conduct any additional site investigation, planning and testing activities it requires for the construction of the New Substation at the Property. Such investigations will be conducted at Purchaser's sole cost and expense and may include, but not be limited to, environmental and geotechnical testing and sampling. Purchaser shall be permitted to enter the Property for such activities upon 72-hours' notice to the JCRA and the City, pursuant to an access agreement to be executed between the parties.

10.2 Pre-Closing Inspection. Seller agrees to permit Purchaser and its duly authorized agents and representatives a right of entry to the Property to conduct a pre-closing inspection of the Property at any reasonable time within five (5) business days prior to the Closing Date.

10.3 Seller's Right of Entry Prior to Closing. Seller and Purchaser acknowledge that prior to Closing the Purchaser shall permit the City and/or JCRA to conduct any additional site investigation, planning and testing activities it requires at the Old PATH Parcel, at the City and or JCRA's sole cost and expense and may include, but not be limited to, environmental and geotechnical testing and sampling. The City and/or JCRA shall be permitted to enter the Property for such activities upon 72-hours' notice to the Purchaser, pursuant to an access agreement to be executed between the parties.

10.4 Seller's Pre-Closing Inspection. Purchaser agrees to permit the City and/or JCRA and its duly authorized agents and representatives a right of entry to the Old PATH Parcel to conduct a pre-closing inspection of the Old PATH parcel at any reasonable time within five (5) business days prior to the Closing Date.

11.0 Representations and Warranties

11.1 Representations and Warranties of Seller. For the purpose of inducing Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Seller represents and warrants to Purchaser as follows:

(a) Seller has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which Seller is a party, to consummate the transactions contemplated hereby and thereby, to take any steps or actions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder.

(b) All requisite action has been taken by Seller and all requisite consents have been obtained in connection with the entering into this Agreement and the instruments and documents referenced herein to which Seller is party, and the consummation of the transaction contemplated hereby and thereby are authorized by all applicable laws, rules, regulations, ordinances and judicial and administrative decisions, and there are no writs, injunctions, orders or decrees of any court or governmental body that would be violated by Seller entering into or performing its obligations under this Agreement and the instruments and documents referenced herein to which Seller is party.

(c) This Agreement is duly executed by Seller, and is valid and legally binding upon Seller and enforceable in accordance with its terms on the basis of laws presently in effect and the execution and delivery hereof shall not, with due notice or the passage of time or both, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Seller is a party.

(d) There is no action, proceeding or investigation now pending, nor any basis therefore, known or believed by Seller to exist which (i) questions the authority of Seller to enter into this Agreement or any of the instruments and documents referenced herein to which Seller is party, or any action or act taken or to be taken by Seller pursuant to this Agreement or any of the instruments and documents referenced herein to which Seller is party; or (ii) is likely to result in a material adverse change in Seller's property, assets, liabilities or condition which will materially and substantially impair its ability to perform its obligations pursuant to the terms of this Agreement or any of the instruments and documents referenced herein to which Seller is party. Seller represents that there is no action, proceeding or investigation now pending nor any basis therefore known or believed to exist which questions the validity of this Agreement or any action or act taken or to be taken by Seller pursuant to this Agreement or any of the instruments and documents referenced herein to which Seller is party, or any action or act taken or to be taken by Seller pursuant to this Agreement or any of the instruments and documents referenced herein to which Seller is party.

(e) There has been no taking or condemnation of the Property, or any part thereof, filed during the time title to the Property has been vested in Seller or, threatened, reducing the area of, interfering with access to the Property.

(f) There are no leases, licenses or service, supply, maintenance, utility or other contracts or agreements affecting the Property and/or to which

Seller is a party, which are or will be binding upon Purchaser.

(g) Except as set forth on **Exhibit 6** attached hereto relating to applicable environmental laws, to Seller's knowledge, without the duty to investigate, Seller has not received written notice that the Property currently is not in compliance with any federal, state, county or municipal law, ordinance, order, rule, regulation, agreement, approval, resolution, permit or requirement affecting any portion of the Property including, but not limited to, violations of any housing, building, zoning, subdivision, fire, safety, traffic, flood control or health laws (collectively, "**Laws**").

(h) To the best of Seller's knowledge, no attachment, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending against Seller.

(i) There are no existing or pending contracts of sale, options to purchase or rights of first refusal with respect to any aspect of the Property.

(j) Seller is the legal owner or holder in public trust of the Property and has good right to convey the same. From and after the Effective Date until the Closing, Seller shall not voluntarily encumber the Property with any lien or encumbrance that is not acceptable to Purchaser.

(k) Upon conveyance of the Property to Purchaser, the development to be undertaken by Purchaser of a PATH substation at the Property is and shall not be subject to any zoning or planning review or approval process and is specifically exempt from the provisions of the MLUL, including any ordinances promulgated thereunder.

11.2 Representations and Warranties of Purchaser. For the purpose of inducing Seller to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Purchaser represents and warrants to Seller as follows:

(a) Purchaser has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which Purchaser is a party, to consummate the transactions contemplated hereby and thereby, to take any steps or actions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder.

(b) All requisite action has been taken by Purchaser and all requisite consents have been obtained in connection with the entering into this Agreement and the instruments and documents referenced herein to which Purchaser is party, and the consummation of the transaction contemplated hereby and thereby are authorized by all applicable laws, rules, regulations, ordinances and judicial and

administrative decisions, and there are no writs, injunctions, orders or decrees of any court or governmental body that would be violated by Purchaser entering into or performing its obligations under this Agreement and the instruments and documents referenced herein to which Purchaser is party.

(c) This Agreement is duly executed by Purchaser, and is valid and legally binding upon Purchaser and enforceable in accordance with its terms on the basis of laws presently in effect and the execution and delivery hereof shall not, with due notice or the passage of time or both, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Purchaser is a party.

(d) To the best of Purchaser's knowledge, without the duty to investigate, there is no action, proceeding or investigation now pending, nor any basis therefor, known or believed by Purchaser to exist which (i) questions the authority of Purchaser to enter into this Agreement or any of the instruments and documents referenced herein to which Purchaser is party, or any action or act taken or to be taken by Purchaser pursuant to this Agreement or any of the instruments and documents referenced herein to which Purchaser is party; or (ii) is likely to result in a material adverse change in Purchaser's property, assets, liabilities or condition which will materially and substantially impair its ability to perform its obligations pursuant to the terms of this Agreement or any of the instruments and documents referenced herein to which Purchaser is party. Purchaser represents that, to the best of Purchaser's knowledge, without the duty to investigate, there is no action, proceeding or investigation now pending nor any basis therefore known or believed to exist which questions the validity of this Agreement or any action or act taken or to be taken by Purchaser pursuant to this Agreement or any of the instruments and documents referenced herein to which Purchaser is party, or any action or act taken or to be taken by Purchaser pursuant to this Agreement or any of the instruments and documents referenced herein to which Purchaser is party.

(e) There has been no taking or condemnation of the Old PATH Parcel, or any part thereof, filed during the time title to the Old PATH Parcel has been vested in Purchaser or, threatened, reducing the area of, interfering with access to the Old PATH Parcel.

(f) To the best of Purchaser's knowledge, there are no leases, licenses or service, supply, maintenance, utility or other contracts or agreements affecting the Old PATH Parcel and/or to which Purchaser is a party, which are or will be binding upon Seller.

(g) Except as set forth on **Exhibit 6** attached hereto relating to applicable environmental laws, to Purchaser's knowledge, without the duty to investigate, Purchaser has not received written notice that the Old PATH Parcel

currently is not in compliance with any Laws affecting any portion of the Old PATH Parcel.

(h) To the best of Purchaser's knowledge, no attachment, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending against Purchaser.

(i) Purchaser has not entered into any contracts of sale, options to purchase or rights of first refusal with respect to any aspect of the Old PATH Parcel except for this Agreement.

(j) Purchaser is the legal owner of the Old PATH Parcel and has good right to convey the same. From and after the Effective Date until the Closing, Purchaser shall not voluntarily encumber the Old PATH Parcel with any lien or encumbrance that is not acceptable to Seller.

(k) Both before and after giving effect to this Agreement, Purchaser is and will be solvent and Purchaser neither intends to incur, nor believes that it has incurred, obligations, debts or liabilities beyond its ability to perform, pay or repay such obligations, debts and liabilities as they mature.

11.3 The representations and warranties as set forth in this Agreement are true and correct on and as of the Effective Date and shall be continuing and shall be true and correct as of the Closing Date.

12.0 As-Is, Where-is Condition of Property and Old PATH Parcel.

12.1 Purchaser Taking Property AS-IS, WHERE-IS. With the exception of (a) Seller's express representations and warranties under Section 11.1 of this Agreement, Purchaser acknowledges and agrees that neither Seller nor any of its members, managers, partners, shareholders, directors, officers, principals, owners, subsidiaries, parent entities, affiliates, participants, agents, employees, contractors, subcontractors, representatives, brokers or advisers has made any representation, express or implied, oral or written, of any nature regarding the Property. Purchaser further acknowledges and agrees that Purchaser has had full and complete access to and has reviewed, or had adequate opportunity to review, all records, reports, studies, surveys, tests and other information respecting the condition of the Property, and has had full and complete access to, or had adequate opportunity to and has inspected, or had adequate opportunity to inspect, the Property and is fully familiar with the condition, physical, environmental and otherwise, thereof. Accordingly, Purchaser agrees that it is purchasing the Property solely in reliance upon its own investigations and not in reliance upon any representation or warranty, express or implied, oral or written, of Seller, its members, managers, partners, shareholders, directors, officers, principals, owners, subsidiaries, affiliates, participants, agents, employees, contractors, subcontractors, representatives, brokers or advisers respecting the Property, the condition, physical, environmental or otherwise, the value thereof, the suitability thereof for any particular use or purpose, or

the eligibility of any portion thereof for financing, whether public or private, and accepts the Property in its "AS-IS", "WHERE-IS" CONDITION.

12.2 Seller Taking Old PATH Parcel AS-IS, WHERE-IS. With the exception of Purchaser's express representations and warranties under Section 11.2 of this Agreement, Seller acknowledges and agrees that neither Purchaser nor the Port Authority nor any of their commissioners, members, managers, partners, shareholders, directors, officers, principals, owners, subsidiaries, parent entities, affiliates, participants, agents, employees, contractors, subcontractors, representatives, brokers or advisers has made any representation, express or implied, oral or written, of any nature regarding the Old PATH Parcel. Seller further acknowledges and agrees that Seller has had full and complete access to and has reviewed, or had adequate opportunity to review, all records, reports, studies, surveys, tests and other information respecting the condition of the Old PATH Parcel, and has had full and complete access to, or had adequate opportunity to and has inspected, or had adequate opportunity to inspect, the Old PATH Parcel and is fully familiar with the condition, physical, environmental and otherwise, thereof. Accordingly, Seller agrees that it is accepting conveyance of the Old PATH Parcel as a portion of the consideration for the sale of the Property solely in reliance upon its own investigations and not in reliance upon any representation or warranty, express or implied, oral or written, of Purchaser or the Port Authority, their commissioners, members, managers, partners, shareholders, directors, officers, principals, owners, subsidiaries, affiliates, participants, agents, employees, contractors, subcontractors, representatives, brokers or advisers respecting the Old PATH Parcel, the condition, physical, environmental or otherwise, the value thereof, the suitability thereof for any particular use or purpose, or the eligibility of any portion thereof for financing, whether public or private, and accepts the Old PATH Parcel in its "AS-IS", "WHERE-IS" CONDITION.

13. Release and Indemnification.

13.1 Indemnification by Purchaser. Purchaser shall hold harmless, indemnify and defend Seller from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including without limitation, reasonable attorneys' fees, asserted against, incurred, or suffered by Seller solely to the extent arising from (i) any personal injury occurring at the Property or the ownership, operation or maintenance thereof, in either case, occurring after the Closing Date, and (ii) any personal injury occurring at the Old PATH Parcel or the ownership, operation or maintenance thereof, in either case, occurring on or before the Closing Date. In handling any defense under this Section 13.1, Purchaser shall not without first having express advance permission from the Seller raise any defense involving in any way the jurisdiction of the tribunal over the person of the Seller, the immunity of the Seller, its elected or appointed officials, Commissioners, directors, officers, agents or employees, the governmental nature of the Seller or the provisions of any statutes or ordinances respecting suits against the Seller.

13.2 Indemnification by Seller. Seller shall hold harmless, indemnify and defend Purchaser, the Port Authority and its Commissioners, directors, officers, agents and employees, from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including without limitation, reasonable attorneys' fees, solely to the extent arising from (i) any personal injury occurring at the Property or the ownership, operation or maintenance thereof, in either case, occurring on or prior to the Closing Date; and (ii) any personal injury occurring at the Old PATH Parcel or the ownership, operation or maintenance thereof, in either case, occurring after the Closing Date. In handling any defense under this Section 13.2, Seller shall not without first having express advance permission from the General Counsel of the Port Authority/PATH raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority/PATH, the immunity of the Port Authority/PATH, its Commissioners, directors, officers, agents or employees, the governmental nature of the Port Authority/PATH or the provisions of any statutes respecting suits against the Port Authority/PATH.

13.3 Survival. The provisions of this Section 13 shall survive Closing.

14.0 Risk of Loss The risk of loss to the Property until the delivery to Purchaser of the Deed and other conveyance instruments shall be assumed by Seller. Purchaser shall have the right to independently insure its interest in the Property, at Purchaser's sole cost and expense. The risk of loss to the Old PATH Parcel until delivery to Seller of the Old PATH Parcel Deed and other conveyance instruments shall be assumed by Purchaser. Seller shall have the right to independently insure its interest in the Old PATH Parcel, at Seller's sole cost and expense.

15.0 Possession Seller will deliver possession of the entire Property to Purchaser at the Closing and Purchaser shall deliver possession to the Old PATH Parcel to the Seller at the Closing, each in accordance with the terms of this Agreement.

16.0 Transfer or Assignment Neither Purchaser nor Seller may assign or transfer any of their respective rights or obligations under this Agreement without the written consent of the other party, which consent may be withheld in such party's sole and absolute discretion, for any or no reason.

17.0 Default

17.1 SELLER DEFAULTS. IN THE EVENT A CLOSING DOES NOT OCCUR AS A RESULT OF SELLER'S DEFAULT IN ANY OF ITS OBLIGATIONS HEREUNDER AND PURCHASER SHALL HAVE FULLY PERFORMED ITS OBLIGATIONS HEREUNDER AND SHALL BE READY, WILLING AND ABLE TO CLOSE, THEN PURCHASER SHALL HAVE AS ITS REMEDIES THE RIGHT TO EITHER (A) TERMINATE THIS AGREEMENT AND NEITHER PARTY HERETO SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER EXCEPT WITH RESPECT TO THOSE PROVISIONS

OF THIS AGREEMENT WHICH EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT), OR (B) SPECIFICALLY ENFORCE THIS AGREEMENT.

17.2 **PURCHASER DEFAULTS.** IN THE EVENT A CLOSING DOES NOT OCCUR AS A RESULT OF PURCHASER'S DEFAULT IN ANY OF ITS OBLIGATIONS HEREUNDER AND SELLER SHALL HAVE FULLY PERFORMED ITS OBLIGATIONS HEREUNDER AND SHALL BE READY, WILLING AND ABLE TO CLOSE, THEN SELLER SHALL HAVE AS ITS REMEDY THE RIGHT TO (A) TERMINATE THIS AGREEMENT AND NEITHER PARTY HERETO SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER (EXCEPT WITH RESPECT TO THOSE PROVISIONS OF THIS AGREEMENT WHICH EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT) OR (B) COMMENCE LITIGATION AGAINST PURCHASER, SUBJECT TO "PORT AUTHORITY LEGISLATION". AS USED HEREIN, THE TERM "PORT AUTHORITY LEGISLATION" SHALL MEAN THE CONCURRENT LEGISLATION OF THE STATE OF NEW YORK AND THE STATE OF NEW JERSEY SET FORTH AT CHAPTER 301 OF THE LAWS OF NEW YORK OF 1950, AS AMENDED BY CHAPTER 938 OF THE LAWS OF NEW YORK OF 19974 (MCKINNEY'S UNCONSOLIDATED LAWS §§7101-7112) AND CHAPTER 204 OF THE LAWS OF NEW JERSEY OF 1951 (N.J.S.A. 32:1-157 to 32:1-168).

18.0 **Binding Agreement** Neither this Agreement nor the obligations hereunder shall be effective or binding on either party until it has been fully-executed by both Seller and Purchaser, but, from and after the Effective Date, this Agreement shall bind Seller, Purchaser and their permitted successors and assigns.

19.0 **Entire Agreement** It is understood and agreed that all understandings and agreements relating to the purchase and exchange of the Property between the parties are merged in this Agreement. This Agreement may not be changed, altered or canceled orally, or any provision thereof waived, except in writing signed by the parties.

20.0 **Brokerage Commissions** Each party hereto represents to the other that no finders or brokers have been involved with the introduction of Purchaser and Seller and/or the purchase and sale of the Property. This representation shall survive Closing or any termination of this Agreement.

21.0 **Notices**

21.1 All notices, requests, consents, approvals or other communications under this Agreement (each, a "Notice") shall be in writing and mailed by certified mail, return receipt requested, postage prepaid, or delivered by a nationally recognized overnight courier service which obtains delivery receipts (e.g., FedEx or UPS) addressed as follows:

If to Seller, at:

City of Jersey City
280 Grove Street
Jersey City, NJ 07302
Attn:

Jersey City Redevelopment Agency
30 Montgomery Street Suite 900
Jersey City, NJ 07302
Attn:

With a copy to:

Joseph P. Baumann, Jr., Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

If to Purchaser, at:

Port Authority Trans-Hudson Corporation
JSTC
One PATH Plaza
Jersey City, New Jersey 07306
Attn: Executive Director

with a copy to:

Port Authority Trans-Hudson Corporation
c/o The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
Greenwich Street
New York, New York 10007
Attn: Executive Director

with a copy to:

Port Authority Trans-Hudson Corporation
c/o The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
Greenwich Street
New York, New York 10007
Attn: General Counsel

with a copy to:

Craig A. Domalewski, Esq.
Dughi, Hewit & Domalewski, P.C.
340 North Avenue
Cranford, New Jersey 07016

A Notice may also be delivered by electronic written communication, or as otherwise mutually agreed by the parties.

22.2 Either party may, by notice given as aforesaid, change its address for all subsequent Notices. A party's attorney may deliver any Notice on behalf of that party.

22.3 All Notices hereunder shall be effective upon the earlier of either three (3) days after mailing (if mailed) or one (1) business day after delivery to the nationally recognized overnight courier service.

23.0 Miscellaneous

23.1 This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

23.2 Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter.

23.3 Each of the parties hereby agrees to execute, acknowledge, and deliver such other documents or instruments as the other may reasonably require from time to time to carry out the purposes of this Agreement.

23.4 [Intentionally Omitted].

23.5 Each of the parties hereto waives any right that they might otherwise have to a jury trial, it being their mutual preference that all disputes hereunder be resolved at a bench trial in accordance with Section 23.6 below.

23.6 Each party agrees that any action or proceeding (whether based on contract, tort or otherwise) between any of the parties seeking to enforce any provision of, or arising out of or relating to, this Agreement or the transactions contemplated hereby must be brought and determined exclusively in any federal court located in the State of New Jersey within the Port District or any New Jersey state court within the Port District. Each party (a) irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of such courts (and of the appropriate appellate courts therefrom) in any such action or proceeding, (b) agrees that it will not bring any such action or proceeding other than in the aforesaid courts and will not attempt to deny or defeat such

jurisdiction by motion or other request for leave from any such court, and (c) irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such action or proceeding in any such court or that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

23.7 No Commissioner, director, officer, stockholder, manager, member, partner, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement, or of any other agreement, document or instrument executed in connection therewith, or of any supplement, modification or amendment to this Agreement, or to such other agreement, document or instrument, or because of any breach or alleged breach thereof, or because of its or their execution or attempted execution. This Section 23.7 shall survive the Closing or any termination of this Agreement.

24.0 Counterparts This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

25.0 Environmental Remediation Responsibilities

25.1 Purchaser shall take possession and ownership of the Property in "AS IS – WHERE IS" condition and shall be responsible for remediating the Property to the reuse standards appropriate for its contemplated use as is required by applicable environmental laws, rules and regulations of the State of New Jersey.

25.2 Seller shall take possession and ownership of the Old PATH Parcel at both the Closing and upon the termination of the Leaseback Agreement, in "AS IS – WHERE IS" condition. Seller acknowledges that Purchaser shall have no obligation or liability to Seller or any third party with respect to remediation of the Old Path Parcel, including any party designated by the Seller as the redeveloper thereof (the "**Redeveloper**"), and that Redeveloper shall be responsible for remediating the Old PATH Parcel to the reuse standard appropriate for its redevelopment purposes as is required by applicable environmental laws, rules and regulations of the State of New Jersey.

25.3 In the event Redeveloper defaults in its obligation to remediate the Old PATH Parcel as set forth in Section 25.2 above and in Section 5.04 of the Leaseback Agreement, Seller shall undertake at its sole cost and expense any required environmental remediation of the Old PATH Parcel and shall indemnify and hold harmless Purchaser from and against any and all suits, actions, damages, claims, judgments, costs, liabilities, and expense in connection therewith and in connection with the presence of any Hazardous Materials existing at, in or on the Old PATH Parcel. For purposes of this Section 25.3, "Hazardous Materials" means any hazardous or toxic substances, materials, asbestos, wastes, pollutants and the like which are defined as such in, and/or regulated by

(or become defined in and/or regulated by), and applicable local, state or federal law including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §§ 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §1801 *et seq.*), the Clean Water Act (33 U.S.C. §1251 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*), the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §136 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §651 *et seq.*), the Industrial Site Recovery Act N.J.S.A. 13:1K-6 *et seq.* and regulations promulgated thereunder and any successor legislation and regulations ("ISRA"), any other federal, state, or local law or ordinance which is presently in effect or hereinafter enacted relating to environmental matters, any rules and regulations promulgated under any of the foregoing, and any and all amendments to the foregoing.

25.4 This Section 25 shall survive expiration or termination of the Agreement.

26.0 Design of New Path Substation Seller and Purchaser agree and acknowledge that Purchaser shall retain full and sole control over the design of the New Substation to be built at the Property but that, notwithstanding, Purchaser shall provide City with an opportunity to provide reasonable input as to the exterior of the New Substation at the Property. This provision shall survive expiration or termination of this Agreement.

27.0 No Taxes or PILOT on Property Purchaser and Seller agree and acknowledge that the Property is not subject to taxation and that, so long as Purchaser's use of the Property is consistent with PATH and/or Port Authority authorized purposes, Purchaser shall not owe or make any payments in lieu of taxes to Sellers with respect to the Property. This Section 27.0 shall survive expiration or termination of this Agreement.

28.0 Future Easements for Operation of New Substation. Except with respect to utility easements as set forth in Section 2.1(f) hereof, if, on and after the Closing Date, Purchaser reasonably determines that it requires additional permanent and/or temporary easements or rights-of-way from Sellers in order to construct, maintain and operate the New Substation, Seller and Purchaser shall negotiate in good faith and at arm's length with regard to such additional easements.

29.0 Ownership of L-Shaped Row. Notwithstanding anything contained in this Agreement to the contrary, in the event either Seller or Purchaser determines that any portion of the L-Shaped Row is not owned by Seller but is owned by a private party ("Privately Owned Property"), then Seller shall use its best efforts to acquire title to such Privately Owned Property within thirty (30) days from the date of execution of this Agreement for conveyance to Purchaser on the Closing Date. If, at the conclusion of such thirty (30) day period, Seller is unable to acquire title to the Privately Owned Property, Purchaser shall have the right to acquire title to the Privately Owned Property

on its own accord through the exercise of the powers conferred upon it by the Port Authority Legislation.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF the parties have caused this Agreement for Purchase and Sale of Real Property to be executed as set forth below intending to be legally bound to the terms of this Agreement:

SELLERS:

CITY OF JERSEY CITY

By: _____
Name: _____
Title: _____

JERSEY CITY REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

PURCHASER:

**PORT AUTHORITY TRANS-HUDSON
CORPORATION**

By: _____
Name: _____
Title: _____

Attachments:

Schedule A-1: Legal Description, Block 11603, Lot 37
Schedule A-2: Legal Description, Block 11603, Lot 38
Schedule A-3: Legal Description, L-Shaped ROW
Schedule A-4: Legal Description, Old PATH Parcel
Exhibit 1: Leaseback Agreement
Exhibit 2: Easement Agreement
Exhibit 3: Future Revenue Agreement
Exhibit 4: Form of Letter from Zoning Officer
Exhibit 5: Proposed Sidewalk Relocation Plan
Exhibit 6: Environmental Notices

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PURCHASE AND EXCHANGE AGREEMENT-final-2018-10-26-LCD-LD.docx

Schedule A-1

Legal Description, Block 11603, Lot 37

SCHEDULE A-1

Legal Description: Block 11603 Lot 37

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a Block 11603 Lot 37 and more particularly described as:

BEGINNING at a point formed by the intersection of the existing northerly side of First Street with the existing easterly side of Washington Street having a NJSPCS coordinate of N = 687965.06 & E = 620631.90 and running thence:

1. Along the easterly right-of-way line of Washington Street, N 8° 26' 46" E, 99.99' to a point; thence,
2. Along Washington Boulevard where it widens to 107' feet wide, and along the southerly line of Lot 38, Block 11603, S 82° 53' 04" E, 58.42' to a point on the southwesterly right-of-way line of Green Street; thence,
3. Along the southwesterly line of Greene street, S 32° 57' 27" E, 130.64' to a point on the northerly right-of-way line of First Street; thence,
4. Along the northerly line of First Street, N 82° 53' 04" W, 144.84' to the point of BEGINNING.

Said parcel containing 10,159 Sq. Ft or 0.2332 acres more or less.

Schedule A-2

Legal Description, Block 11603, Lot 38

SCHEDULE A-2

Legal Description: Block 11603 Lot 38

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a Block 11603 Lot 38 and more particularly described as:

COMMENCING at a point formed by the intersection of the existing northerly side of First Street with the existing easterly side of Washington Street having a NJSPCS coordinate of N = 687965.06 & E = 620631.90 and running thence:

- A. Along the easterly right-of-way line of Washington Street, N 8° 26' 46" E, 99.99' to a point; thence,
- B. Along Washington Boulevard where it widens to 107' feet wide, and along the southerly line of Lot 38, Block 11603, S 82° 53' 04" E, 58.42' to the TRUE point of BEGINNING; thence,
1. Along the easterly right-of-way line of Washington Boulevard, 107 feet wide, N 8° 26' 46" E, 57.26' on a curve of the southwesterly line of Greene Street; thence,
2. Along the southwesterly line of Greene Street with curve to the left with a radius of 363.97', an arc length of 50.49', a central angle of 7° 56' 52" and a chord bearing S 28° 59' 01" E, 50.45'; thence,
3. Continuing along same, S 32° 57' 27" E, 21.54' to a point; thence,
4. Along the northerly line of Lot 37, Block 11603, N 82° 53' 04" W, 44.92' to the point of TRUE BEGINNING.

Said parcel containing 1,218 Sq. Ft or 0.0280 acres more or less.

Schedule A-3
Legal Description, L Shaped ROW

SCHEDULE A-3

Legal Description: 'L' Shaped Portion of Washington Street and First Street

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and being a portion of the Rights-of-Way of Washington Street and First Street and more particularly described as:

BEGINNING at a point formed by the intersection of the existing northerly side of First Street with the existing easterly side of Washington Street having a NJSPCS coordinate of N = 687965.06 & E = 620631.90 and running thence:

1. Along the existing northerly line, S 82° 53' 04"E, 144.84' to a point on the southwesterly line of Greene Street; thence,
2. Along the southwesterly line of Greene Street, S 32° 57' 27" E, 56.97' to a point on the proposed northerly right-of-way line of First Street; thence,
3. Along the proposed northerly line of First Street, N 71° 7' 33" W, 80.72' to a point of curvature; thence,
4. Continuing along the same with a curve to the left having a radius of 663.95', an arc length of 123.97', a central angle of 10° 41' 53" and a chord bearing N 76° 28' 29" W, 123.79' to a point on the proposed easterly right-of-way line of Washington Boulevard; thence,
5. Along the proposed easterly line of Washington Boulevard, N 4° 57' 45" E, 193.10' to a point of curvature; thence,
6. Continuing along the same with a curve to the right having a radius of 14.00', an arc length of 36.66', a central angle of 150° 01' 20" and a chord bearing N 79° 58' 26" E, 27.05' to a point of tangency on the southwesterly right-of-way line of Greene Street; thence,
7. Along the proposed southwesterly line of Greene Street, S 25° 00' 53" E, 35.90' to a point on the existing easterly right-of-way line of Washington Boulevard; thence,
8. Along the existing easterly line of Washington Boulevard, S 8° 26' 46" W, 57.26' to a point; thence,
9. Continuing along the same, N 82° 53' 04" W, 13.50' to a point on the easterly line of Washington Street; thence,
10. Along the easterly line of Washington Street, S 8° 26' 46" W, 99.99' to a point on the point of BEGINNING.

Said tract containing 10,252 Sq. Ft. / 0.2354 Acres more or less.

Schedule A-4

Legal Description, Old PATH Parcel

Schedule A-4

Legal Description: Block 11609 Lot 1

All the certain tract, lot and parcel of land lying and being in the Jersey City, Hudson County, New Jersey and known as Block 11609 Lot 1 and more particularly described as:

BEGINNING at a point formed by the intersection of the existing northerly side of First Street with the existing easterly side of Washington Street having a NJSPCS coordinate of N = 687965.06 & E = 620631.90 and running thence:

1. Along the southerly line of First Street, S 82° 52' 17" E, 231.50' to a point on the westerly right-of-way line of Greene Street; thence,
2. Along the westerly line of Greene Street, S 32° 56' 40." E, 117.13', to a point of curvature; thence,
3. Continuing along the same with a curve to the right having a radius of 306.10', an arc length of 7.24', a delta of 1° 21' 21", and a chord bearing S 32° 15' 38" E, 7.24' to a non-tangent point on the southerly lotline of Lot 1; thence,
4. Along the southerly lot line, N 81° 46' 29"W, 191.66' to a point on the easterly lotline of Lot 1; thence,
5. Along the easterly lot line, S 8° 28' 31" W, 123.57' to a point on the northerly right-of-way line of Bay Street; thence,
6. Along the northerly lot line, N 81° 46' 29"W, 121.99' to a point on the easterly right-of-way line of Washington Street; thence,
7. Along the easterly line of Washington Street, N 8° 28' 31" E, 212.82' to the point of BEGINNING.

Said tract containing 40,098 Sq. Ft. / 0.9205 Acres more or less.

Exhibit 1

Form of Leaseback Agreement

Exhibit 2
Form of Easement Agreement

Exhibit 3

Form of Future Revenue Agreement

Exhibit 4
Form of Letter from Zoning Officer

[ON JERSEY CITY ZONING OFFICER LETTERHEAD]

[Date]

To Whom It May Concern,

This letter acknowledges that, pursuant to Section 8.1(l)(i) of the Agreement for Purchase, Sale and Exchange of Real Property dated _____, by and between The Port Authority of NY/NJ (the "PA") and its subsidiary, Port Authority Trans-Hudson Corp (the "PATH"), the City of Jersey City (the "Jersey City") and the Jersey City Redevelopment Agency (the "Agreement"), the undersigned has no objection to the temporary closure of portions of Washington Street in Jersey City, County of Hudson, New Jersey, that are adjacent to the parcels identified on the tax map of the City as Block 11603, Lot 37, Block 11603, Lot 38 and Block 11609, Lot 1 (the "Closure Area") in connection with and during the development of the new PATH substation at the property. The aforementioned statement does not relieve the PA or PATH from obtaining any requisite approvals or permits from other authorities or officials with jurisdiction over this matter, including but not limited to, the Jersey City Department of Engineering, the Jersey City Police Department and the Jersey City Municipal Utilities Authority.

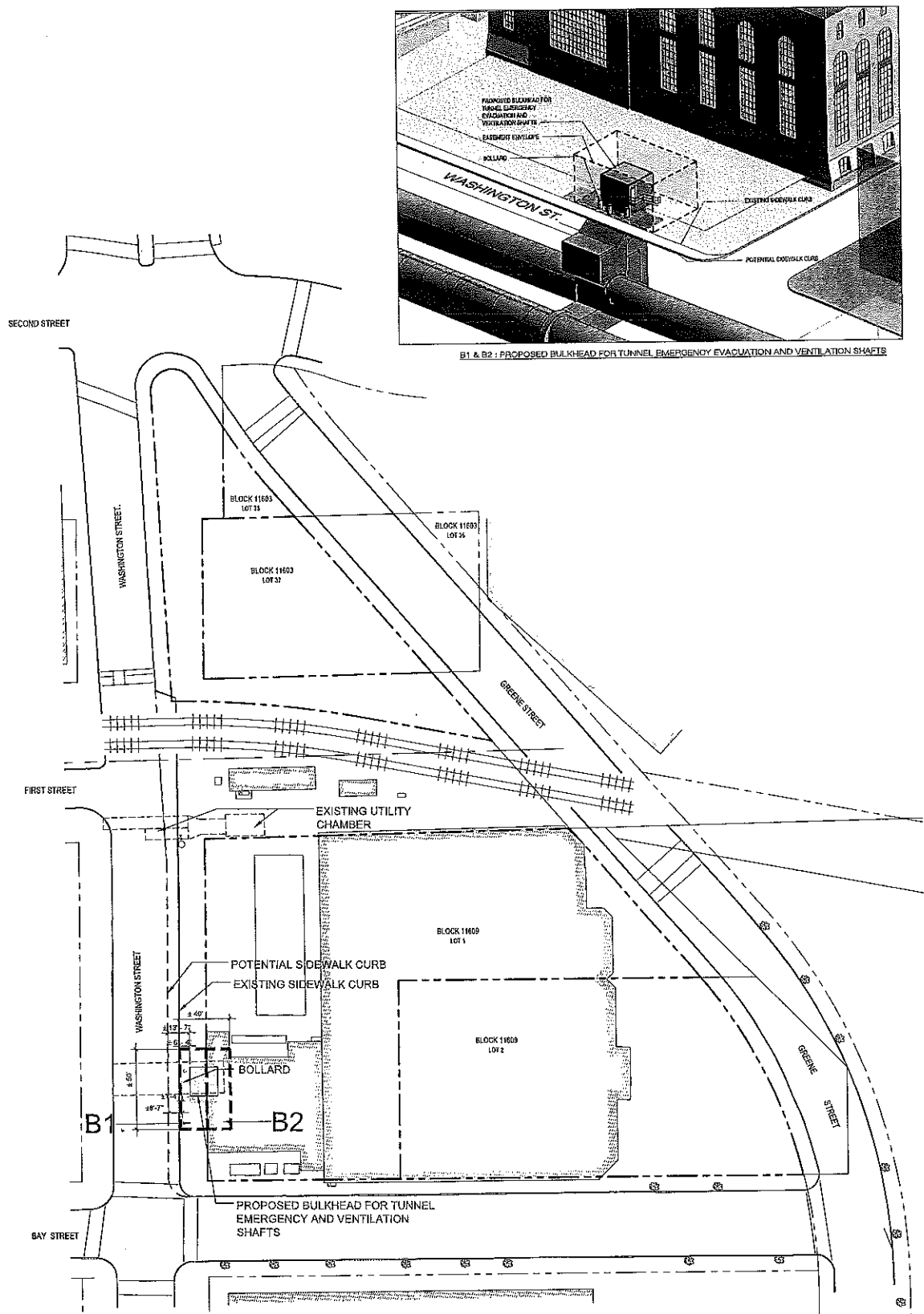
The undersigned also acknowledges that, on account of the authority granted to the PA and PATH under [PA will insert legal authority] the development to be undertaken by PATH of the New Substation at the Property under the Agreement (as such terms are defined in the Agreement) is not and shall not be subject to any zoning or planning review and approval process and is specifically exempt from the provisions of the Municipal Land Use Law, N.J.S.A. 40:55-D-1 et. seq., and any ordinances promulgated thereunder. The aforementioned statement is strictly limited to the development of the New Substation at the Property under the Agreement, and does not relieve the PA or PATH from obtaining any requisite approvals or permits from other authorities or officials with jurisdiction over this matter, including but not limited to, the Jersey City Department of Engineering, the Jersey City Police Department and the Jersey City Municipal Utilities Authority.

Sincerely,

Name
Zoning Officer

Exhibit 5

Proposed Sidewalk Relocation Plan



PERMANENT AND PERPETUAL EASEMENTS:

- B1: SIDEWALK EASEMENT FOR CONSTRUCTION OF BULKHEAD (20 FEET X 50 FEET).
 B2: EXISTING POWERHOUSE PROPERTY EASEMENT FOR CONSTRUCTION OF BULKHEAD (20 FEET X 50 FEET).

NOTE: EASEMENTS B1 & B2 ARE REQUIRED FOR CONSTRUCTION OF A PERMANENT STRUCTURE WITH 26 FEET HIGH ABOVE GRADE. THIS STRUCTURE WILL BE ABOVE THE EXISTING UNDERGROUND TUNNEL EMERGENCY EVACUATION / VENTILATION SHAFTS THAT IS AN INTEGRAL PART OF AN ACTIVE PATH RAIL SYSTEM INFRASTRUCTURE.

PATH SUBSTATION 2 - POTENTIAL SIDEWALK CURB



THE PORT AUTHORITY OF NY & NJ

PATH WASHINGTON STREET

Discipline ARCHITECTURE

NOT TO SCALE

09/17/18

Date

PATH-021.092

Contract Number

12951000

PG Number

1 of 1

Drawing Number
SK002

Designed by Drawn by Checked by

Exhibit 6
Environmental Notices

As to Purchaser: None

As to Seller:

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

This **SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS** (hereinafter the "Agreement"), made this ____ day of October, 2018, by and between the **PORT AUTHORITY OF NEW YORK AND NEW JERSEY** ("Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress of the United States, **THE PORT AUTHORITY TRANS-HUDSON CORPORATION** ("PATH"), a wholly subsidiary of the Port Authority, and the **CITY OF JERSEY CITY**, a municipal corporation in the County of Hudson and the State of New Jersey ("City"). The Port Authority and PATH may at times be collectively referred to as the "Port Authority," and the Port Authority, PATH and the City may at times be individually referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, the Port Authority and PATH own fifty-three (53) parcels of property in Jersey City that are used for Port Authority Bridge and Tunnel purposes, Port Authority Marine Terminal purposes, PATH operations, and as the Port Authority's New Jersey Administrative Headquarters, as more particularly described in **Exhibit "1"** annexed hereto (hereinafter, jointly the "Port Authority Properties"); and

WHEREAS, on or about February 18, 1964, the City and PATH entered into a payment in lieu of taxes ("PILOT") agreement (the "1964 PILOT Agreement"), under the terms of which PATH voluntarily agreed to pay to the City \$86,729.27 annually, in lieu of property taxes on PATH owned property identified on the City Tax Map as Block 11609, Lot 1 and Block 13101, Lot 3 and certain other property listed in schedules attached to the 1964 PILOT Agreement, representing an amount equal to the sum last paid annually to the City as taxes prior to the time of PATH's acquisition of the properties; and

WHEREAS, the Parties recognize that the only documentary evidence of the 1964 PILOT Agreement is a February 18, 1964 City Resolution ("1964 City Resolution") authorizing

the City to enter into an attached unexecuted copy of the 1964 PILOT Agreement. The 1964 City Resolution and unexecuted 1964 PILOT Agreement are attached hereto at **Exhibit "2"**; and

WHEREAS, the Port Authority continues to pay \$86,729.27 each year, in lieu of taxes, pursuant to the terms of the 1964 PILOT Agreement; and

WHEREAS, on December 20, 1967, PATH and the City executed an agreement (hereinafter the "1967 Agreement") attached hereto at **Exhibit "3"**, wherein PATH agreed to develop the Journal Square Transportation Center ("JSTC"), identified on the Jersey City Tax Map as Block 9501, Lot 1, and the City agreed that the 1967 Agreement should not be construed to obligate PATH to make a PILOT on the property at JSTC; and

WHEREAS, on August 19, 1988, the Port Authority and Jersey City entered into a PILOT agreement (the "1988 PILOT Agreement"), attached hereto at **Exhibit "4"**, which requires the Port Authority to pay a PILOT for certain Port Authority owned property located at Greenville Yard in the City and identified in the 1988 PILOT Agreement; and

WHEREAS, the 1988 PILOT Agreement required the Port Authority to pay Jersey City \$866,000 in lieu of taxes so long as the Port Authority owns the property identified in the 1988 PILOT Agreement and also contemplated that the PILOT would be reduced to \$762,000 after certain property was conveyed by the Port Authority to the Jersey City Economic Development Commission ("JCEDC"); and

WHEREAS, the Port Authority transferred property to the JCEDC in 1990, which reduced the PILOT to \$762,000 per year; and

WHEREAS, in 1994 the Port Authority sold additional property that was the subject of the 1988 PILOT Agreement (identified on the City's historical Tax Map as Block 1514.2, Lots 116 and 117 and historical Block 1514.1, Lot 113), which reduced the payment under the 1988 PILOT Agreement to \$736,304.79; and

WHEREAS, pursuant to the terms of the 1988 PILOT Agreement, the Port Authority continues to pay \$736,304.79 each year, in lieu of taxes, for Port Authority owned property

identified on the City Tax Map as Block 30306, Lots 1 and 2, Block 30404, Lot 4, and Block 30501, Lots 1, 3, 4, 5, 6, 7, 10, 12, 13, and 14; and

WHEREAS, on May 18, 2012, the Port Authority and the City executed a PILOT agreement (the “2012 PILOT Agreement”) attached hereto at **Exhibit “5”**, in which the Port Authority agreed to pay to the City \$1,360,030.10 each year in lieu of taxes for Port Authority owned property designated on the City Tax Map as Block 30403, Lot 1 and Block 30501, Lots 8, 9, and 100, which represents an amount equal to the sum last paid annually to the City as taxes prior to the time of the Port Authority’s acquisition of the properties; and

WHEREAS, the Port Authority continues to pay \$1,360,030.10 each year, in lieu of taxes, pursuant to the terms of the 2012 PILOT Agreement; and

WHEREAS, on May 22, 2014, the City filed a Complaint in the United States District Court for the District of New Jersey entitled *City of Jersey City v. Port Authority of New York and New Jersey and Port Authority Trans Hudson Corporation*, Civil Action No.: 2-14-cv-03286 (JMV), (the “Litigation”) which contends (a) that the Port Authority and PATH wrongfully failed either to pay taxes on or to enter into PILOT agreements on certain properties, (b) that, where the Port Authority had entered into PILOT agreements, the terms of those agreements must be reformed, (c) that certain Port Authority properties have lost their tax exempt status because they are leased to third parties and other additional claims and theories that are not otherwise particularly described within this whereas clause; and

WHEREAS, the Port Authority and PATH filed Answers and affirmative defenses which contend, among other things, that the City’s claims cannot be reconciled with the clear and unambiguous language of relevant Port Authority and PATH statutes which state that (a) Port Authority and PATH property is not subject to taxation, (b) the Port Authority is not statutorily authorized to pay a PILOT for Holland Tunnel property (c) that the Port Authority and PATH may, but are not required to, enter into PILOT agreements with municipalities for certain other property, and (d) when the Port Authority does enter into a PILOT agreement, the PILOT may not exceed the amount last paid as taxes on the subject property; and

WHEREAS, recognizing the time, expense and risks associated with litigation, the Parties have agreed by way of compromise and settlement to amicably resolve the Litigation and any and all disputes between them, without any Party admitting any liability whatsoever, on the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, the Parties, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound hereby, covenant and agree as follows:

I. EFFECTIVE DATE.

1.1 This Agreement shall become effective on the date signed by the last signatory hereto (the "Effective Date").

II. AUTHORITY TO ENTER INTO SETTLEMENT AGREEMENT AND RELEASE.

2.1 The City, the Port Authority and PATH hereby represent and warrant that each has full right and authority to enter into this Agreement and the PILOT Agreements referenced in Section IV herein and that the person signing this Agreement has the requisite authority for such acts.

III. EXISTING PILOT AGREEMENTS.

3.1 The City, the Port Authority and PATH hereby agree that all of the terms, provisions, conditions, covenants and representations contained in the 1964 PILOT Agreement, the 1988 PILOT Agreement and the 2012 PILOT Agreement shall continue in full force and effect in accordance with the provisions thereof, up until the conclusion of the term of this Agreement as identified within section 5.2 of the settlement agreement.

IV. NEW PORT AUTHORITY AND PATH PILOT AGREEMENTS.

4.1 Simultaneously with the execution of this Agreement, the City and the Port Authority shall enter into the PILOT Agreement attached hereto at **Exhibit "6"** (the "2018 Port Authority PILOT Agreement") with respect to the Port Authority owned property located at Two Montgomery Street, Jersey City, New Jersey, designated on the City Tax Map as Block 11605, Lot 2 (the "Two Montgomery Street Property").

4.2 Simultaneously with the execution of this Agreement, the City and PATH shall enter into the PILOT Agreement attached hereto at **Exhibit "7"** (the "2018 PATH PILOT Agreement")

with respect to the PATH owned properties located at (a) 100 Academy Street, Jersey City, New Jersey, designated on the City Tax Map as Block 10901, Lot 83, (the "100 Academy Street Property") and (b) 90 Columbus Drive, Jersey City, New Jersey, designated on the City Tax Map as Block 13003, Lot 2 (the "90 Columbus Drive Property").

V. PILOT PAYMENTS FOR 2014 THROUGH 2017.

5.1 The Parties hereby agree that: (a) The amount last paid as taxes on the Two Montgomery Street Property prior to the Port Authority's acquisition was \$1,049,477.00 (hereinafter "Two Montgomery Taxes"); (b) The amount last paid as taxes on the 100 Academy Street Property prior to PATH's acquisition was \$153,225.00 (hereinafter "100 Academy Taxes"); and (c) The amount last paid as taxes on the 90 Columbus Drive Property was \$12,001.00 (hereinafter "90 Columbus Taxes").

5.2 The Port Authority shall pay to the City a total of \$4,197,908.00, in ten (10) equal annual installments of \$419,790.80, such amount representing the sum of Two Montgomery Taxes for the years 2014, 2015, 2016 and 2017. Payment of the first installment shall be made to the Treasurer of the City within 30 days of the Effective Date, and each of the remaining installments shall be paid, respectively, on the first through ninth anniversary of the Effective Date.

5.3 PATH shall pay to the City a total of \$660,904.00, in ten (10) equal annual installments of \$66,090.40, such amount representing the sum of 100 Academy Taxes and 90 Columbus Taxes for the years 2014, 2015, 2016 and 2017. Payment of the first installment shall be made to the Treasurer of the City within 30 days of the Effective Date, and each of the remaining installments shall be paid, respectively, on the first through ninth anniversary of the Effective Date.

5.4 In the event of a default on the part of the Port Authority and/or PATH to pay any installment referenced in Paragraphs 5.2 and 5.3 of this Agreement, the City's sole recourse is and shall be to seek specific performance of the terms of this Agreement. No other action by the City is or shall be permitted in the event of default on the part of the Port Authority and/or PATH and no tort or contract claim for any other element or quantum of damages shall be asserted against the Port Authority and/or PATH, and the City hereby waives any such causes of action

against Port Authority and/or PATH, their commissioners, directors, representatives, employees and agents.

VI. NO CHALLENGES.

6.1 Beginning on the Effective Date and for a period of twenty-five (25) years thereafter, the City shall not contest, challenge or otherwise dispute: (a) The tax exempt status of the Port Authority Properties and any other properties owned by the Port Authority in Jersey City as of the Effective Date, (b) The Port Authority's and PATH's decision to enter PILOT agreements for some, but not all of the Port Authority Properties; (c) The terms of the 1964 PILOT Agreement, the 1988 PILOT Agreement, the 2012 PILOT Agreement, the 2018 Port Authority PILOT Agreement, and the 2018 PATH PILOT Agreement; (d) The validity or sufficiency of any PILOT made by the Port Authority and/or PATH pursuant to the terms of the 1964 PILOT Agreement, the 1988 PILOT Agreement, the 2012 PILOT Agreement, the 2018 Port Authority PILOT Agreement, and the 2018 PATH PILOT Agreement; or (e) The Port Authority's and/or PATH's termination of a PILOT payment upon disposition of property that is the subject of the 1964 PILOT Agreement, the 1988 PILOT Agreement, the 2012 PILOT Agreement, the 2018 Port Authority PILOT Agreement, and/or the 2018 PATH PILOT Agreement.

VII. PATH STATION STUDY.

7.1 The Port Authority and/or PATH shall perform a study examining operational, technical, legal, economic and other relevant considerations relating to the feasibility of potential construction and use of a PATH station in the Marion section of the City (the "PATH Study"). A report detailing the conclusions of the PATH Study shall be provided to Jersey City within one (1) year of the Effective Date of this Agreement.

7.2 Nothing in this Agreement or in the PATH Study shall be construed to require the Port Authority and/or PATH to construct and/or operate a PATH station in the Marion section of Jersey City.

7.3 In the event of a default on the part of the Port Authority and/or PATH to perform the study referenced in Paragraph 7.1, the City's sole recourse is and shall be to seek specific performance of the terms of this Agreement. No other action by the City is or shall be permitted in the event of default on the part of the Port Authority and/or PATH and no tort or contract

claim for any other element or quantum of damages shall be asserted against the Port Authority and/or PATH, and the City hereby waives any such causes of action against Port Authority and/or PATH, their commissioners, directors, representatives, employees and agents.

VIII. DISMISSAL OF LITIGATION.

8.1 As of the Effective Date, the Parties hereby direct and authorize their respective counsel to jointly execute and promptly file with the United States District Court for the District of New Jersey the "Stipulation of Dismissal with Prejudice and Without Costs" attached hereto at **Exhibit "8"**.

IX. RELEASE.

9.1 Except for the City's right to enforce this Agreement, as of the Effective Date, the City, on behalf of itself, its agents, successors and assigns, does hereby absolutely and unconditionally forever release, discharge and acquit the Port Authority and PATH, and their respective successors, assigns, affiliates, board members, commissioners, directors, officers, employees, agents and representatives, of and from any and all claims, demands, obligations, liabilities, property taxes, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensation, contracts, controversies, promises, damages, costs, losses and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore or now existing, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, from the beginning of the world to the date hereof, that the City held against the Port Authority with respect to, arising from or related to property owned by the Port Authority or PATH in the City, including but not limited to any claims that were asserted or could have been asserted in the Litigation.

X. NO ADMISSION OF LIABILITY.

10.1 Nothing contained in this Agreement is or shall be deemed to be an admission of liability by the Port Authority, by PATH or by the City with respect to any claims or counterclaims that were or could have been asserted in the Litigation.

10.2 This Agreement represents a compromise of disputed claims and shall not be deemed an admission or concession by the Port Authority, by PATH or by the City of liability, culpability, or wrongdoing.

XI. SUCCESSORS AND ASSIGNS.

11.1 This Agreement shall bind and inure to the benefit of (a) the City, and its mayor, council members, officers, agents, employees, and each of its heirs, and (b) the Port Authority and PATH and each of their commissioners, directors, executives, agents, employees and each of their heirs.

11.2 The City expressly acknowledges that this Agreement (a) binds and is enforceable against both present and future City mayors, City council members, and any other form of future City administration, (b) that the City is authorized by law to enter this Agreement and (c) that this Agreement does not impermissibly restrict the legislative function of any future City mayor, City council member, or any other form of future City administration.

XII. COOPERATION.

12.1 The City, the Port Authority and PATH each agree to take such steps as may be reasonably necessary or proper to effectuate the purpose and intent of this Agreement and to preserve its validity and enforceability. In the event that any action or proceeding of any type whatsoever is commenced or prosecuted by any person not a Party hereto to invalidate, interpret, or prevent the validation, enforcement, or carrying out of all or any of the provisions of this Agreement, the Parties mutually agree, represent, warrant, and covenant to cooperate fully, each at their own cost, in opposing such action or proceeding.

XIII. CONSTRUCTION.

13.1 This Agreement was negotiated among the Parties at arms' length and in good faith, with each Party receiving advice from its respective independent legal counsel. It is the intent of the Parties that no part of this Agreement be construed against any of the Parties hereto because of the identity of the drafter and that no special rules of construction apply to this Agreement.

XIV. NOTICE.

14.1 Any notice, demand, election or other communication, which the Port Authority, PATH or the City shall desire or be required to give pursuant to the provisions of this Agreement (each

a "Notice"), shall be sent by registered or certified mail, return receipt requested, or by overnight courier that provides a receipt for delivery and the giving of such Notice shall be deemed complete on the date of delivery to the Person intended to be given such Notice at the respective addresses set forth below or to such other address as such Party may theretofore have designated by Notice pursuant to this Article XIV:

Port Authority: Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
150 Greenwich Street
New York, New York 10007
Attention: Executive Director

With copy to: Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
150 Greenwich Street
New York, New York 10007
Attention: General Counsel

With copy to: Craig A. Domalewski, Esq.
Dughi, Hewit & Domalewski, P.C.
340 North Avenue
Cranford, New Jersey 07016

PATH Port Authority Trans-Hudson Corporation
1 Path Plaza
Jersey City, New Jersey 07306
Attention: Director of Rail Transit (PATH)

With copy to: Craig A. Domalewski, Esq.
Dughi, Hewit & Domalewski, P.C.
340 North Avenue
Cranford, New Jersey 07016

City: City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302
Attention: City Clerk

With copy to: Joseph P. Baumann, Jr., Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

With copy to: Victor A. Afanador, Esq.
Lite DePalma Greenberg, LLC
570 Broad Street
Newark, NJ 07102

All Notices to be given under this Agreement shall be given in writing in conformance with this Article XIV and, unless a certain number of days is specified, within a reasonable time.

XV. HEADINGS.

15.1 Titles and captions contained in this Agreement are inserted only as a matter of convenience and are for reference purposes only. Such titles and captions are in no way intended to define, limit, expand or describe the scope of this Agreement, nor the intent of any provision thereof.

XVI. EXECUTION AND DELIVERY.

16.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

XVII. NON-LIABILITY OF INDIVIDUALS.

17.1 No Commissioner, Director, Councilperson, Mayor, officer, agent or employee of the Port Authority, PATH or the City shall be charged personally or held contractually liable by or to any Party under any term or provision of this Agreement, or of any other previous agreement, document or instrument executed in connection therewith, or of any supplement, modification or amendment to this Agreement or to such other agreement, document or instrument, or because of any breach or alleged breach thereof, or because of its or their execution or attempted execution.

XVIII. SEVERABILITY.

18.1 If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

XIX. GOVERNING LAW.

19.1 This Agreement and shall be construed in accordance with, and governed by, the applicable law of the State of New Jersey, without consideration given to choice of law principles.

[signatures on following page]

[this space intentionally left blank]

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have caused this Settlement Agreement and Release to be duly executed as of the date set forth with the signatures below:

THE CITY OF JERSEY CITY

Dated: October __, 2018

By: _____
Name:
Title:

PORT AUTHORITY TRANS-HUDSON
CORPORATION

Dated: October __, 2018

By: _____
Name:
Title:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Dated: October __, 2018

By: _____
Name:
Title:

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 2018 before me, the undersigned, a
Notary Public in and for said state, personally appeared _____ personally known to
me or proved to me on the basis of satisfactory evidence to be the individual whose name is
subscribed to the within instrument and acknowledged that he executed the same in his capacity
as _____ for the Port Authority of New York and New Jersey, and that by his
signature on the instrument, the individual, or the corporation upon behalf of which the
individual acted, executed the instrument.

(Signature of Notary Public)

(PATH Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a
Notary Public in and for said state, personally appeared _____ personally known to
me or proved to me on the basis of satisfactory evidence to be the individual whose name is
subscribed to the within instrument and acknowledged that he executed the same in his capacity
as _____ for the Port Authority Trans-Hudson Corporation, and that by his
signature on the instrument, the individual, or the corporation upon behalf of which the
individual acted, executed the instrument.

(Signature of Notary Public)

(City of Jersey City Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a
Notary Public in and for said state, personally appeared _____ personally known
to me or proved to me on the basis of satisfactory evidence to be the individual whose name is
subscribed to the within instrument and acknowledged that he executed the same in his capacity
as a _____ of the City of Jersey City and that by his signature on the instrument, the
individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

SCHEDULE OF EXHIBITS

- EXHIBIT 1: PORT AUTHORITY AND PATH OWNED PROPERTY IN JERSEY CITY.
- EXHIBIT 2: 1964 CITY RESOLUTION / 1964 PILOT AGREEMENT.
- EXHIBIT 3: 1967 AGREEMENT.
- EXHIBIT 4: 1988 PILOT AGREEMENT.
- EXHIBIT 5: 2012 PILOT AGREEMENT.
- EXHIBIT 6: 2018 PORT AUTHORITY PILOT AGREEMENT
(TWO MONTGOMERY STREET, BLOCK 11605 LOT 2)
- EXHIBIT 7: 2018 PATH PILOT AGREEMENT
(100 ACADEMY STREET, BLOCK 10901 LOT 83)
(90 COLUMBUS DRIVE BLOCK 13003, LOT 2)
- EXHIBIT 8: STIPULATION OF DISMISSAL WITH PREJUDICE AND WITHOUT COSTS

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

EXHIBIT 1

(PORT AUTHORITY AND PATH OWNED PROPERTY IN JERSEY CITY)

The following eight (8) properties located in Jersey City and owned by the Port Authority are used by the Port Authority in connection with Holland Tunnel operations:

Property	Block	Lot
1. 234 Provost Street	8902	1
2. 236 Provost Street	7203	1
3. Fourteenth & Provost	7203	4
4. 124 Thirteenth Street	7203	5
5. 80 River Drive (Rear)	7302	25
6. 80 River Drive	7302	24
7. 80 River Drive	7302	27
8. 86 River Drive	7302	29

The following seventeen (17) properties located in Jersey City and owned by the Port Authority are used by the Port Authority for Marine Terminal Purposes:

Property	Block	Lot
1. Port Jersey – Global Marine Terminal	30403	1
2. 53-75 Port Jersey Blvd.	30501	6
3. Port Jersey Blvd.	30501	7
4. Port Jersey – Global Marine Terminal	30501	8

Property	Block	Lot
5. Port Jersey – Global Marine Terminal	30501	9
6. Port Jersey – Global Marine Terminal	30501	10
7. Port Jersey – Global Marine Terminal	30501	100
8. Port Jersey Blvd.	30404	4
9. 20 Colony Road – Greenville Yard	30501	1
10. Port Jersey Blvd.	30501	3
11. Port Jersey Blvd.	30501	4
12. Port Jersey Blvd.	30501	5
13. Port Jersey Blvd.	30501	12
14. Port Jersey Blvd.	30501	13
15. Port Jersey Blvd.	30501	14
16. 20 Harbor Drive	30306	1
17. Route 169	30306	2

The following property located in Jersey City and owned by the Port Authority is used as the Port Authority's New Jersey Administrative Headquarters:

Property	Block	Lot
1. Two Montgomery Street	11605	2

The following twenty-seven (27) properties located in Jersey City and owned by PATH are used by PATH in connection with the PATH rapid transit rail system:

Property	Block	Lot
1. Journal Square Transportation Center	9501	1
2. 90 Columbus Drive	13003	2
3. Columbus Drive	13101	3
4. Exchange Place PATH Station	14502	5
5. 246 Broadway	9001	5
6. 154 Halleck Avenue	9201	1.02
7. 350 Washington Street	11609	1
8. 36 North Boulevard	7302	10
9. 66 Fourteenth Street	7302	7
10. Henry Street-Rear	9702	2
11. Chestnut Ave.	9702	3
12. Chestnut Ave.	9702	23
13. 215 Baldwin Avenue	10803	25
14. Baldwin & Summit	10803	26
15. Chestnut Ave.	10901	44
16. Baldwin & Chestnut	10901	45
17. Baldwin & Chestnut	10901	49
18. 100 Academy Street	10901	83
19. Waldo Avenue Rear	10901	90
20. Inside Plot	10901	110

Property	Block	Lot
21. Inside Plot	10901	112
22. Inside Plot	10901	113
23. Merseles Street	10901	114
24. 120 Academy Street	10901	84
25. 2093 Kennedy Blvd.	9403	17
26. 875 Newark Ave.	9301	2
27. Chestnut Ave.	9201	1

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

EXHIBIT 2

(1964 CITY RESOLUTION / 1964 PILOT AGREEMENT)

PATH

Councilman MARTIN offered, and moved adoption of the following resolution:

WHEREAS, under the provisions of L. 1962, Ch. 8, Port Authority Trans-Hudson Corporation was authorized to and on September 1, 1962 did acquire certain real property in the City of Jersey City heretofore owned and used by Hudson and Manhattan Railroad Company; and

WHEREAS, under the provisions of said law, all of said property has become tax exempt commencing with the year 1963; and

WHEREAS, said law further provides for the making of a voluntary agreement between said Port Authority Trans-Hudson Corporation and the City of Jersey City for the annual payment, in lieu of taxes on said real property, of an amount equal to the sum last paid in 1962, which sum is \$86,729.27; and

WHEREAS, the said corporation has offered to enter into a written agreement with the City of Jersey City under the terms of which it will pay to the City of Jersey City for the year 1963 the sum of \$86,729.27 and a like sum in each year thereafter in which said corporation owns such real property; and

WHEREAS, it is deemed in the best interests of the City of Jersey City to enter into such agreement;

RESOLVED, that the City of Jersey City enter into an agreement with Port Authority Trans-Hudson Corporation under the terms of which said corporation will pay to the City of Jersey City, in lieu of taxes the sum of \$86,729.27 for the year 1963, and a like sum annually thereafter so long as said corporation shall continue to own such real property, all according to the terms of said agreement, a copy of which is hereto annexed and made a part hereof; AND BE IT FURTHER

RESOLVED, that the Mayor and City Clerk be authorized to execute said agreement upon behalf of the City of Jersey City.

The City
On roll call, it was determined that the resolution
received the following votes:

[Signature]
MAYOR

[Signature]
BUSINESS ADMINISTRATOR

APPROVED AS TO CONTENT

BY *[Signature]*
DIRECTOR OF FINANCE

APPROVED AS TO LEGAL FORM
[Signature]
Corporation Counsel

9-1759
2/18/64

THIS AGREEMENT made this day of 1964,
by and between THE CITY OF JERSEY CITY, a municipal corporation
of the State of New Jersey, hereinafter called the "City", and
the PORT AUTHORITY TRANS-HUDSON CORPORATION, hereinafter called
"PATH", a wholly-owned subsidiary of The Port of New York
Authority;

W I T N E S S E T H :

WHEREAS, by resolution of its Board of Directors,
adopted June 14, 1962 [which appears at pp. 27 et seq. of its
Official Minutes of that date], PATH was authorized to and did
on September 1, 1962 acquire for Hudson tubes purposes and for
purposes incidental thereto, the real property described in
Schedules A and B attached hereto and made a part hereof; and

WHEREAS, PATH desires to enter into a voluntary agree-
ment with the City pursuant to the power and authority conferred
upon it by Chapter 8, Laws of New Jersey, 1962 and Chapter 209,
Laws of New York, 1962, whereby PATH will, subject to the terms
and conditions hereinafter set forth, undertake to pay to the
City, annually, in lieu of any taxes and assessments on said real
property, an amount equal to the sum last paid annually to said
City as taxes upon said real property prior to the time of its
acquisition by PATH,

NOW, THEREFORE, the parties hereto for themselves,
their successors and assigns, mutually undertake, covenant and
agree as follows:

1. PATH will pay to the City for the year 1963 and
for each successive year thereafter so long as PATH shall own
the aforesaid real property for Hudson tubes purposes, and the

City hereby agrees to accept as an annual payment pursuant to the aforesaid acts in lieu of any and all taxes and assessments for the twelve (12) month period, the sum of Eighty-Six Thousand Seven Hundred Twenty-Nine and Twenty-Seven One Hundredths Dollars (\$86,729.27), being a sum equivalent to the sum last paid annually to the City as real estate taxes on the said real property prior to its acquisition by PATH.

2. Payments for the year 1963 shall be made within thirty days from the date of the execution of this agreement. Payment for each calendar year thereafter while this agreement remains in effect shall be made annually on or before the first day of December of the current calendar year. For each of said years, the City shall mark the aforesaid real property exempt on its tax records, with a notation that such entry is made pursuant to this agreement and the acts aforesaid.

3. The said payments shall be made to the Director of Finance of the City of Jersey City [and if payments are made by check, they shall be made payable to the said official]. Said payments shall be devoted by the City solely to the purposes to which taxes may be applied, unless and until otherwise directed by law.

4. The term "assessments" as used herein from which the real property is to be exempt includes any and all assessments against said real property which are made a part of the annual real estate tax. PATH will, however, pay all special assessments for local improvements which may be levied upon any

parcel of the real property listed in Schedules A and B annexed hereto, when and to the extent said real property is determined to be benefitted by any such local improvements.

ATTEST:

THE CITY OF JERSEY CITY

City Clerk

By _____
Mayor

PORT AUTHORITY TRANS-HUDSON
CORPORATION

Vice President-General Manager

By _____
President

SCHEDULE A - CLASS II - RAILROAD PROPERTY
IN JERSEY CITY, HUDSON COUNTY
AS ASSESSED FOR THE TAX YEAR 1962

<u>Main Line</u>	<u>Assessed Valuation</u>
Land outside main stem, power house site, Block 76 0.979 Ac.	\$ 63,968
Fence at power house	370
Power house and fixed machinery (complete)	125,000
Storehouse and garage at power house, C.I., 53' x 132'	4,130
Water tunnel	25,000
Erie station and passageway facilities	135,392
Exchange Place station	55,000
TOTAL	\$ 408,860

Newark Branch

Land outside main stem, car shop site, Block 138, bounded on the north by Steuben St., on the south by Railroad Avenue, on the west by Henderson St., on the east by Warren St. 3.214 Ac.	\$ 208,910
Sidings outside main stem (in ballast) at car repair shop, Henderson St., 8,792 ft.	16,206
Car repair shop, Henderson St.	199,555
Board fence at car repair yard, Henderson St.	99
Wire fence at car repair yard, Henderson St.	13
Concrete fence, Henderson St.	1,525
Third rail in car repair yard, Henderson St., 7,200 ft.	1,282
Tunnel connection, underground, Henderson St.	34,000
Grove St. station	50,140
TOTAL	\$ 511,730

GRAND TOTAL \$ 920,590

1962 tax rate, \$113.88 per thousand of valuation.
Jersey City share, 82.37%

SCHEDULE B - PROPERTY IN JERSEY CITY, HUDSON COUNTY
AS ASSESSED FOR THE TAX YEAR 1962

<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Assessment</u>
137	J2	Railroad Avenue	\$ 4,000
		TOTAL	<u>\$ 4,000</u>

1962 tax rate, \$113.88 per thousand of valuation.
Jersey City share, 82.37%

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

**EXHIBIT 3
(1967 AGREEMENT)**

THIS AGREEMENT made this 20 day of December, 1967 by and between the City of Jersey City, a municipal corporation of the State of New Jersey (hereinafter called the City) and 3042 APPROVED TRANS-HUDSON CORPORATION, a body corporate and politic, and the joint agency of the States of New Jersey and New York (hereinafter called RTH)

WHEREAS

by virtue of the provisions of Chapter 8, Laws of New Jersey, 1962 and of Chapter 209, Laws of New York, 1962 and of the provisions of the Treaty between the said States dated April 30, 1921, RTH is fully authorized and empowered to operate the rail lines formerly known as the "Hudson Tubes" and to construct and operate terminal and transfer facilities in the "Journal Square terminal area" as defined in said statutes and in other terminal areas of said "Hudson Tubes", and

WHEREAS, by virtue of the provisions of Section 8 of the aforesaid statutes of New Jersey and New York, the City is authorized and empowered to cooperate with RTH and to enter into an agreement or agreements with it for the improvement of the "Journal Square terminal area" and of other terminal areas of said "Hudson Tubes" located in said City upon such reasonable terms and conditions as may be determined by the City and RTH and authorized and approved by a resolution passed by a majority vote of the City's governing body, and

WHEREAS, the City believes that the construction and operation by PATH of a modern Transportation Center in the "Journal Square terminal area", consisting of a new railroad station for the passengers using the rail facilities provided by PATH, new and improved facilities for the accommodation of commuters and their passengers and for the interchange of passengers between the bus lines and between the rail lines and the bus lines, new facilities for consumer services and for the parking of motor vehicles and, in addition thereto, new office facilities for PATH and other public agencies and for related railroad property purposes and the construction and operation by PATH of new station entrances for PATH passengers at Grove Street will be of great advantage to the City and its residents, and result in, among other things, rehabilitation, renewal and improvement of the Journal Square area and the relief of street congestion therein and improved traffic conditions in the Grove Street area, and

WHEREAS, representatives of the City and of PATH have, for several years past, joined and cooperated in the planning for such a Transportation Center and for changes in station entrances at PATH's Grove Street station and removal of the present station entrance, and

WHEREAS, PATH has advised the City that the railroad, bus, parking and related railroad property facilities of a Transportation Center of the type desired and of a design and scope satisfactory to the City, generally as shown on Exhibit "A" annexed hereto, can be constructed in the "Journal Square terminal area" and the required station entrance improvements at Grove Street can

be provided at a total presently estimated project cost of \$34,350,000., and has further advised the City that if a grant of funds from the United States under the Urban Mass Transportation Act of 1954 satisfactory to it can be obtained and satisfactory agreements can be reached between it and the City and between it and the Board of Chosen Freeholders of the County of Hudson regarding various matters relating to the project, it will, notwithstanding the fact that economic analyses of the financial results of the said facilities demonstrate that they will, at best, be economically marginal, undertake the construction and operation of the aforesaid facilities of the Transportation Center and of the new Grove Street station entrances, and

WHEREAS, BATH has submitted the necessary application for the grant of Federal funds to the Urban Transportation Administration of the United States Department of Housing and Urban Development and contemplates that the requested funds will be granted to it, and

WHEREAS, the City and BATH now desire to enter into this Agreement setting forth the understandings between them, the City being aware that BATH will, upon the conditions aforesaid, proceed with the construction and operation of the Transportation Center and the Grove Street station entrance improvements in reliance on the assurances made to it by the City hereinafter, said assurances having been made to induce BATH to proceed with the construction and operation of the said facilities,

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

of discharge by buses of passengers at the bus stops
buses and their passengers, prohibiting the pick-up
Transportation Center for the accommodation of unit-
opening to the public of the new facilities of the
herein as Exhibit "B", to become effective upon the
Agreement, enact a resolution, in the form annexed
soon as practicable after its approval of this
(c) the city will, concurrently with, or as

Center)

loading within the single location of the Transportation
consolidating commuter and other bus loading and un-

2. In order to secure to the city the benefits of

as shown on Exhibit "A" attached hereto.

terminal area", of a Transportation Center generally

the construction, in the aforesaid "Journal Square

resolution referred to in paragraph 2 below, undertake

3 below and by the Board of chosen freeholders of the

of the resolutions referred to in paragraphs 2, (c), (d) and

agreement by the city and of the enactment by the city

housing and urban development, of the approval of this

Administration of the United States Department of

funds satisfactory to it from the Urban Transportation

1. FURTHER will, upon receipt by it of a grant of

the vicinity of said Center,

and to insure an appropriate traffic pattern to and from and in

permit easy passenger and vehicle access to and from said center

area, to facilitate construction of the Transportation Center, to

4. To provide relief from traffic congestion in the

on City streets listed in said resolution. The City agrees that so long as the said facilities for the accommodation of busses and their passengers continue in existence for said purposes, it will not permit the pick-up or discharge by busses of passengers at any point on streets which are now or hereafter may come under the jurisdiction or control of the said City within the area enclosed in red lines on Exhibit "C" attached hereto;

(b) the City will, by appropriate amendment to its zoning ordinances and other enactments relating thereto, prohibit the expansion of existing off street bus terminals or the construction of new bus terminals at any point in the area of the City within 1400 feet of the outer limits of the "Journal Square terminal area" as defined in the aforesaid statutes.

3. Upon acquisition by PATH of title to the real property on both sides thereof, the City will, by appropriate legislative action, close Beacot Street in its entirety and that portion of Magnolia Avenue designated by PATH for use in or in connection with the Transportation Center.

4. Upon the opening to the public of the new facilities in the Transportation Center for the accommodation of busses and their passengers the City will, when requested so to do, by PATH, by appropriate

legislative action, prohibit vehicle parking on those portions of Pavonia, Magnolia, Sip and Summit (between Sip and Pavonia) Avenues designated by PATH as necessary or desirable to permit efficient use of the Center by vehicles making use thereof, and make appropriate provision for a taxicab stand and vehicle loading area at or adjacent to the Magnolia Street entrance to the Center.

5. PATH will, upon completion by it of the widening of Pavonia Avenue from Kennedy Boulevard easterly to the easterly side of the Transportation Center, deliver to the City a deed dedicating the widened portion of said Pavonia Avenue for street purposes and the City will accept the same.

6. PATH will, as soon as practicable, make application to the Board of Freeholders of the County of Hudson for its approval of the reduction in width of John F. Kennedy Boulevard which is reasonably required to permit construction of the Transportation Center, for the grant of the necessary rights to use and alter, as required, the bridge which carries said Boulevard over the railroad tracks at the westerly side of said Center and the appurtenant structures, including the existing pedestrian passageway and for the grant to it of such property rights, if any, in the existing Boulevard and bridge as may be necessary to permit construction and operation of the Center.

7. PATH will also make application to the said Board of Freeholders for the immediate adoption by it

of a resolution, to become effective on the opening to the public of the new facilities of the Transportation Center for the accommodation of omnibuses and their passengers, prohibiting, so long as the said facilities continue in operation for said purposes, the parking or standing of buses or the pick-up or discharge by buses of passengers at any point on the streets or roads, enclosed within red lines on Exhibit "g" attached hereto, which now or hereafter may come under the jurisdiction or control of said Board and for legislative action to ban all vehicle parking (except the standing of taxicabs at a taxi stand, the location and size of which shall be agreed upon by BATH and said Board) on the east side of that portion of John F. Kennedy Boulevard which is adjacent to the Transportation Center.

8. The City will join with BATH in the aforesaid applications to the said Board of Freeholders and will, in connection therewith, take such action, legislative or otherwise, as may be required to give evidence of its consent to said actions by the said Board and to the grant to BATH of such rights by the said Board.

9. BATH will join with the City in the application by the City to the said Board of Freeholders for such widening and straightening of said John F. Kennedy Boulevard north of Bergen Avenue as is, in the opinion of the City, necessary in connection with the development by the City of its proposed Civic Center on the west side of said Boulevard north of the existing railroad tracks.

10. Upon the enactment thereof by it, the City will promptly forward to the New Jersey Division of Motor Vehicles all ordinances or resolutions adopted by it in the performance of its obligations under this Agreement which may require the approval of that Division and will take all steps necessary to obtain the required approvals as promptly as possible.

11. It is understood and agreed that if, notwithstanding occurrence of each of the aforesaid events, PATH's undertaking or completing the construction of the Transportation Center should, in the opinion of PATH, become impracticable in whole or in part, it shall be under no obligation to do so under this Agreement, nor shall it incur hereunder any liability of any kind to the City by reason of its failure to do so.

12. The City will, upon commencement of the construction of the Transportation Center, consult with PATH as to the new or changed traffic signals and signs, street lighting and other similar installations which will be required in City streets in the immediate vicinity of the Transportation Center to properly regulate the changed patterns of traffic and increased vehicular movement and will, at its expense, complete all necessary installations and changes so that the

signals, lights, etc. may be made operative upon the opening to the public of the new facilities in the Transportation Center for the accommodation of omnibuses.

13. The City will, at its expense, provide, on city streets adjacent to and in the vicinity of the Transportation Center, policing, traffic control, snow removal and similar services as necessary to permit smooth ingress and egress of buses, other vehicles and pedestrians to and from the Center.

B. To facilitate the elimination from reconstructed Railroad Avenue of the existing PATH Grove Street station entrances thereby improving traffic conditions in the area and to permit the construction and operation of new PATH station entrances for the benefit of the residents of the area and visitors thereto,

1. The City will take appropriate legislative action to authorize the grant to PATH of permanent rights to construct and maintain, in the triangular park bounded by Railroad Avenue, Newark Avenue and Grove Street, a new entrance to its Grove Street station and the grant to PATH of permanent rights to construct and maintain a knee entrance to said station at a point, on the south side of Railroad Avenue, east of Grove Street and within 110 feet from the southeast corner of the intersection of said Grove Street and Railroad Avenue. All necessary deeds or other instruments shall be executed and delivered to PATH.

2. Upon the grant to it of the property rights referred to in B.1 above and the delivery to and acceptance by it of the necessary deeds and other instruments, PATH will immediately undertake the construction of the new station entrances.

3. At or prior to completion of the construction of the new station entrance in the aforesaid triangular park, PATH will, at no expense to the City, rehabilitate said park, in accordance with plans to be agreed on by the City and PATH. PATH will thereafter maintain, in first-class condition, its station entrance and the City will maintain, in first-class condition, the rehabilitated park.

4. Upon application to it by PATH, the City will close that portion of Old Railroad Avenue lying between the northerly line of new Railroad Avenue and the southerly line of lands of PATH on which is now located PATH's car shop.

5. Nothing herein contained is intended to nor shall it be construed to oblige PATH to make any payments "in lieu" of taxes to the City on the real property in the "Journal Square terminal area" acquired by it in reliance on this Agreement for the construction of the facilities referred to herein or on said facilities, or on the Grove Street station improvements constructed by it, it being understood and agreed that the construction of the said facilities by PATH will improve the trade and commerce of the City and facilitate the development of the Journal Square area by improving transportation from numerous points to said City and will be in other respects for the benefit of the City and its residents.

D. Nothing contained herein is intended to nor shall be construed to create any rights of any kind whatsoever in third persons not a party to this Agreement.

E. Neither the Directors of PATH nor any individual officer or official of PATH or of the City, nor any agent or employee of either of them, shall be charged personally by any of the others with any liability nor held liable to either of the parties hereto under any term or provision of this Agreement or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

THE CITY OF JERSEY CITY

By

Thomas J. Whelan
Mayor

ATTEST:

William P. Black
[Seal] City Clerk

PORT AUTHORITY TRANS-JERSEY
CORPORATION

By

Quint J. Tori
President

ATTEST:

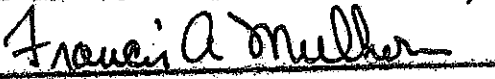
Louis Gambaccini
[Seal] Vice President & General Manager

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

BE IT REMEMBERED, that on the 23rd day of July ^{eight} One Thousand Nine Hundred and Sixty-seven, before me, an Attorney-at-law of New Jersey, personally appeared AUSTIN J. TOBIN, President of Port Authority Trans-Hudson Corporation, a body corporate and politic, to me personally known to be the individual described in and who executed the preceding instrument, and who duly acknowledged to me the execution of same, and being by me duly sworn, for himself, does depose and say that he is the said President of Port Authority Trans-Hudson Corporation aforesaid, that the seal affixed to the preceding instrument is the seal of said Port Authority Trans-Hudson Corporation and that the said seal and his signature as such President is duly affixed and subscribed to said instrument by authority and direction of the Board of Directors of said Port Authority Trans-Hudson Corporation.


Austin J. Tobin
President

Sworn and subscribed to before
me this 23rd day of July ⁸ 1967.


Francis A. Muller
An Attorney-at-Law of New Jersey

STATE OF NEW JERSEY :
COUNTY OF HUDSON : ss.

BE IT REMEMBERED that on this 20th day of December, 1967, before me the subscriber, a Notary Public of New Jersey, personally appeared WILLIAM P. BLACK, who, being by me duly sworn on his oath, doth depose and make proof to my satisfaction, that he is the City Clerk of the City of Jersey City, one of the parties named in the within instrument; that THOMAS J. WHELAN is the Mayor of the City of Jersey City; that the execution, as well as the making of this instrument has been duly authorized by a proper resolution of the Municipal Council of the City of Jersey City; that deponent well knows the corporate seal of said corporation; and the seal affixed to said instrument is such corporate seal and was thereto affixed and said instrument signed and delivered by said Mayor, as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in the presence of deponent, who thereupon subscribed his name thereto as witness.

William P. Black

Subscribed and sworn to
before me at Jersey City,
the date aforesaid.

Mildred A. Preston
Notary Public of New Jersey

MILDRED A. PRESTON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 10, 1970

RESOLUTION ABOLISHING CERTAIN BUS STOPS
HEREAFTER ESTABLISHED ALONG CERTAIN
STREETS IN THE CITY OF JERSEY CITY

Councilman offered and moved adoption of
the following Resolution:

BE IT RESOLVED by the Municipal Council
of the City of Jersey City that, effective as
of the date hereinafter specified, the schedule
of bus stops for the various bus lines operating
over the streets of Jersey City heretofore
adopted by this Council by Resolution on July 6,
1965 be and the same is hereby amended by delet-
ing from said schedule the stops numbered and
lettered as follows:

9, A-1	95, C
10, A	95, D
91, C	96, A
93, C	96, A-1
93, F	96, B-1

This Resolution shall become effective on
the date on which Port Authority Trans-Hudson Cor-
poration opens to the public the new facilities for
the accommodation of omnibuses and their passengers
in the Transportation Center in the Journal Square
area on the site of the existing PATH Journal Square
railroad station.

Exhibit "B"

BE IT FURTHER RESOLVED that a copy of this Resolution be sent by the City Clerk to the New Jersey Division of Motor Vehicles of the State of New Jersey for approval, and that a copy be made available to the bus lines operating in and through the City of Jersey City.

-2-

Exhibit "A"

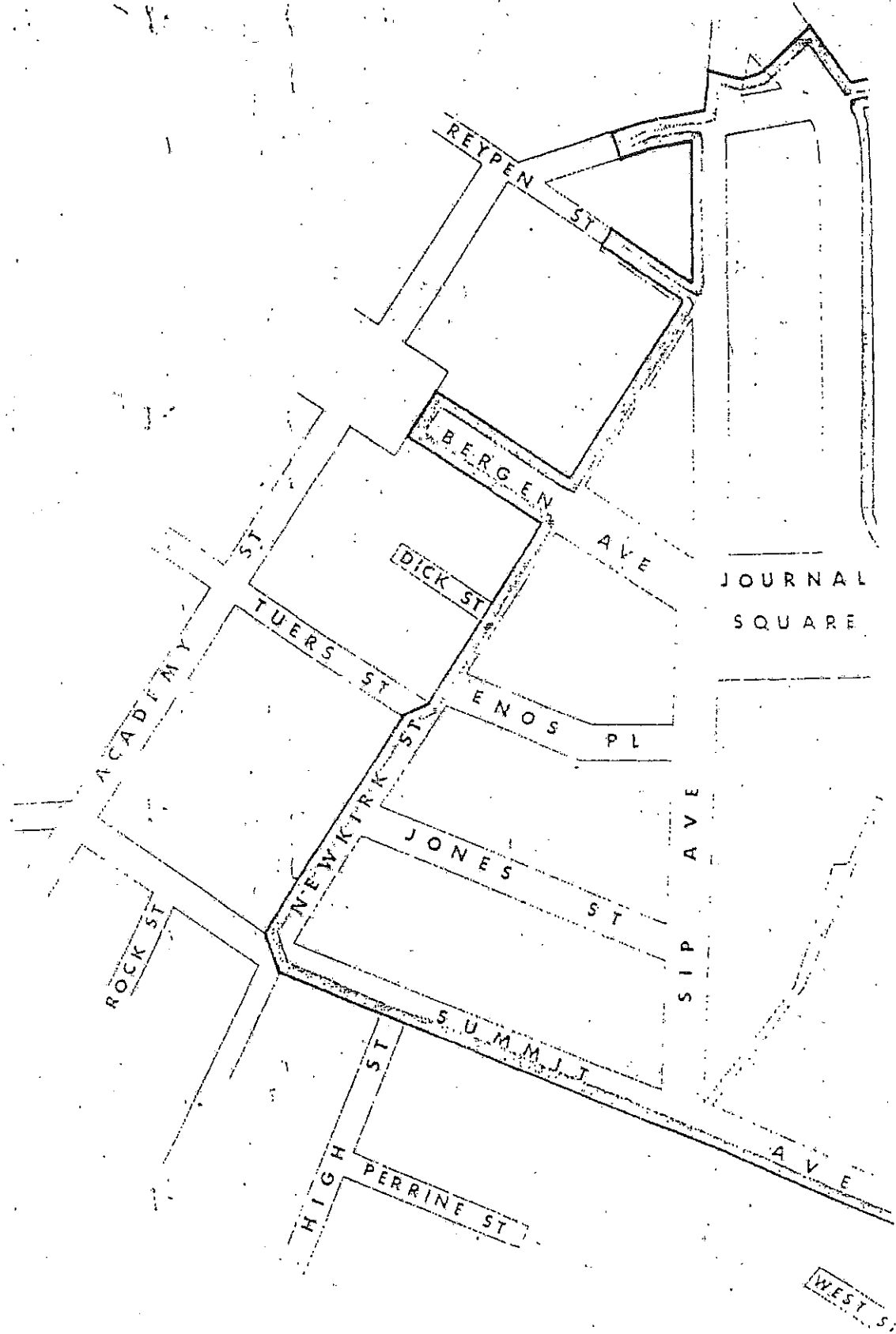
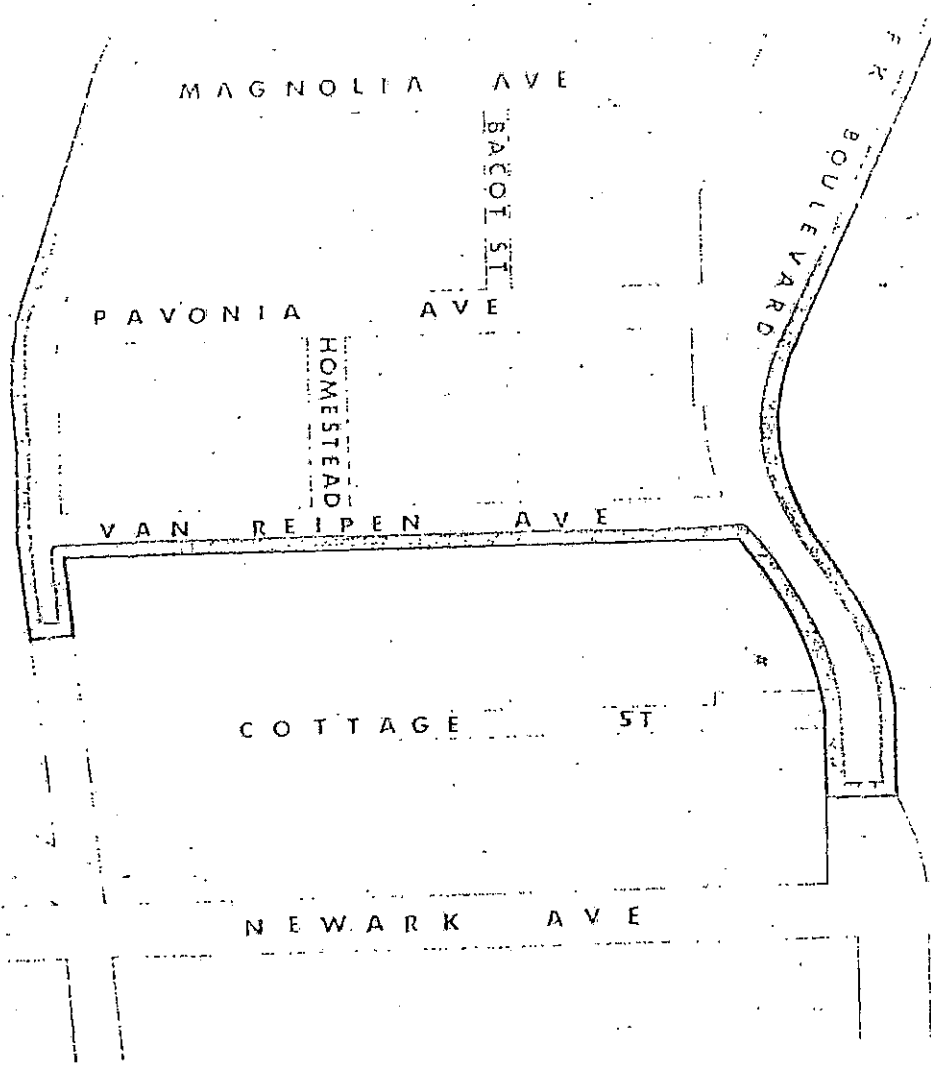
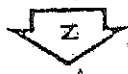


EXHIBIT - C



ONZELLE AVE

BRYAN PL



DATE: 11/11/11 BY: 11/11/11

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

**EXHIBIT 4
(1988 PILOT AGREEMENT)**

1507 2R

This Agreement entered into this 19th day of August, 1988 among the City of Jersey City, a municipal corporation of the State of New Jersey (hereinafter referred to as "City"), having its offices at City Hall, City of Jersey City, New Jersey and The Port Authority of New York and New Jersey, a body corporate and politic and the joint agency of the States of New Jersey and New York (hereinafter referred to as "Port Authority"), having its principal office at One World Trade Center, City of New York and State of New York and the Jersey City Economic Development Corporation, a non profit corporation of the State of New Jersey (hereinafter referred to as JCEDC), having its principal office at 601 Pavonia Avenue, Jersey City, New Jersey.

WITNESSETH

WHEREAS, by the Treaty of April 30, 1921, creating the Port Authority, the States of New Jersey and New York granted to the Port Authority full power and authority to purchase, construct, lease and operate marine terminals within the Port of New York District, and by Chapters Forty-four and Six Hundred and Thirty-one, respectively, of the Laws of New Jersey and Laws of New York of 1947, said two States have authorized and empowered cities and other municipalities in the Port of New York District to cooperate with the Port Authority in the development of marine terminals, and

WHEREAS, by resolutions of its Board of Commissioners adopted on September 10, 1981, January 14, 1982 and February 11, 1982, the Port Authority found and determined that the acquisition by the Port Authority of certain real property a portion of which is in the City of Jersey City is necessary for public use for marine terminal purposes, and

WHEREAS, the Port Authority believes that the development of portions of said real property as a marine terminal will be to the mutual advantage of the City and the Port Authority and will be to the benefit of the people of the States of New Jersey and New York, and

WHEREAS, the City and JCEDC believe that the development for industrial purposes of portions of certain property presently owned by the Port Authority is in the best interests of the City of Jersey City and the public interest and will promote and encourage economically sound industry in the City, will generate jobs, reduce the hazards of unemployment and otherwise be for the economic benefit of the City, and

WHEREAS, the Parties mutually agree that their cooperation in the development of both the Marine Terminal and an Industrial Development Project will be to the benefit of the region, and

WHEREAS, by virtue of the provisions of the "Industrial Development Projects and Facilities Act" Chapter 110, Laws of New Jersey 1978 and Chapter 651, Laws of New York 1978 and the provisions of the Compact between the States of New Jersey and New York dated April 30, 1921, the Port Authority is authorized and empowered, *inter alia*, to establish, acquire, construct, effectuate, develop, own, lease, maintain, operate, improve, rehabilitate, sell, transfer and mortgage projects or facilities referred to as "port district industrial development projects or facilities" as defined in said statutes, and

WHEREAS, by virtue of the provisions of Section 8 of the aforesaid statutes, the City is authorized and empowered to cooperate with the Port Authority and to enter into an agreement or agreements with it for and in connection with or relating to the effectuation of industrial development projects, and

WHEREAS, JCEDC by virtue of the provisions of its Charter is authorized and empowered to cooperate with the Port Authority and to enter into an agreement or agreements with it for and in connection with or relating to the effectuation of industrial development projects and to effectuate such projects

WHEREAS, the City hereby agrees and requests that the JCEDC be the entity to purchase from the Port Authority those properties outlined in Article III and to effectuate the development of said properties into an industrial park.

NOW, THEREFORE in consideration of the foregoing premises and the covenants, terms and conditions hereinafter set forth, the parties hereto agree as follows:

Definitions

As used in this Agreement, the following terms shall have the meanings set forth below and the definitions of such terms are equally applicable both to the singular and the plural terms thereof.

"Gross Operating Revenues" shall mean the aggregate amount of all monies and income determined in accordance with Generally Accepted Accounting Principles received by the JCEDC from or with respect to the ownership or operation of the Industrial Develop-

ment Project in any calendar year other than: (1) hazard insurance proceeds, and other proceeds on account of physical damage sustained to any building structure or improvement on the premises or equipment contained therein, to the extent such proceeds are used to repair, replace, or improve said buildings or improvements, (2) lump sum rent or other lump sum payments by tenants to the JCEDC to the extent such proceeds are applicable as Gross Operating Revenue in any succeeding calendar year, (3) proceeds, recoupment or refinancing of bonds or notes or other capital funds (including interest on such funds), (4) proceeds from governmental grants (5) proceeds from the sale or disposition of portions of the Project or an interest therein, except that such proceeds shall be counted as revenues as if JCEDC had received an equal proportioned share of the proceeds over a twenty (20) year period, (6) amounts received by the JCEDC which represent repayments of financing for any purpose whatsoever, including but not limited to equipment and building finishes, whether called rent by the JCEDC in any agreement with its tenant(s) or not, (7) any additional rent charge for taxes or for in lieu of taxes payments, collectible from the building's tenant(s) or (8) any assessments, such as water or sewer taxes collected by or on behalf of the City or a City agency.

"Net Operating Revenue" shall mean Gross Operating Revenues minus Deductions.

"Deductions" shall mean the sum of the following:

(1) Operation and Maintenance Expenses"

All expenses of the JCEDC which in accordance with Generally Accepted Accounting Principles are directly attributable to the operation and maintenance of the Project in each calendar year including but not limited to (a) the annual payments in lieu of taxes paid to the City by the JCEDC and not excluded from Gross Operating Revenues; (b) any costs or expenses incurred by the JCEDC from facilities and activities conducted outside the Project Site but directly related to or required in connection with the operation of the Project, and; (c) any costs or expenses for staff directly engaged in the administration or operation of the Project;

(2) "General and Administrative Expenses"

An amount equal to twelve and one half percent (12.5%) of the Operation and Maintenance expenses described in paragraph (1) above;

"Debt Service on JCEDC Infrastructure Investment" shall mean an amount equal to the actual repayment of interest and principle paid to lenders by the JCEDC with respect to the Infrastructure Investment.

"Debt Service on Port Authority Infrastructure Investment" shall mean, to the extent available after Debt Service on JCEDC Infrastructure Investment, an amount equal to interest and principle repayments by the JCEDC to the Port Authority according to the following formula:

(1) payments of simple interest on the Port Authority Outstanding Unamortized Principle Balance as of December 31 of any year calculated at eight and three quarters percent (8.75%), plus;

(2) payments of up to one twenty-fifth (1/25) of the Port Authority Outstanding Unamortized Principle Balance.

"Port Authority Outstanding Unamortized Principle Balance" shall mean the amount requested and received by the JCEDC under Section 4.04 of this agreement plus any unpaid interest from previous years, minus repaid principle amounts.

"Infrastructure" shall mean public facilities which are directly related to the Project including site preparation, highways and streets, water supply and distribution systems, utilities, waste water collection systems and storm drainage systems.

"Infrastructure Investment" shall be any cost incurred by the JCEDC in repairing, rehabilitating or constructing the Infrastructure, including but not limited to the sum of the following:

- (1) all costs associated with the acquisition for the Project Site and required easements and other interests in surrounding parcels, including but not limited to title search and insurance, survey, appraisal cost, and other costs of closing, net of \$3.0 million as provided in Section 3.02;
- (2) all costs or expenses associated with Infrastructure planning and implementation;
- (3) all costs and expenses associated with the design, construction and supervision of construction of the Infrastructure improvements; and
- (4) the cost of financing, insurance and surety bonds during construction of Infrastructure improvements.

"Non-Infrastructure Investment" shall be any capital cost incurred by the JCEDC in construction of non-infrastructure improvements on the Project Site.

"Port Authority Infrastructure Investment" shall mean that amount up to \$3.0 million, made available to JCEDC by the Port Authority for infrastructure improvements pursuant to this agreement.

ARTICLE I

MARINE TERMINAL

Section 1.01 The Port Authority has undertaken a project for the development of a marine terminal facility to be located partially within the City of Jersey City within an area more particularly described in Exhibit A hereto, which property and the facilities to be constructed thereon being referred to hereinafter as the "Marine Terminal". The Port Authority shall be responsible for the design, construction, financing and marketing of the facility and for the maintenance of roadways within the Marine Terminal.

Section 1.02 All details of the effectuation of the Marine Terminal project including, but not limited to, details of financing, construction, leasing, rentals, fees and other charges, rates, contracts, services and operations shall be within the sole discretion of the Port Authority and its decision in connection with any and all matters concerning the Marine Terminal shall be controlling and conclusive.

Section 1.03 Within the geographical limits of the Marine Terminal the Port Authority will have a right to utilize and will provide, construct and maintain within the marine terminal facilities all public ways, sewers, water mains and other utilities of whatsoever kind or description which it, in its sole discretion, may deem necessary. The Port Authority shall however be obliged to the best of its ability to provide access for subsurface storm drainage to be constructed by JCEDC. As between the City and the Port Authority, the City shall not be obligated to provide, within the Marine Terminal, street cleaning, snow removal, garbage or refuse collection services, it being understood that services of this character, to the extent deemed necessary or desirable by the Port Authority, will be provided by persons other than the City at the Port Authority's cost and expense.

Section 1.04 The Port Authority will provide such police or security personnel as it deems necessary for patrolling, security and traffic control within the Marine Terminal. The City agrees, however, that its Police Department will respond to calls for assistance from the Port Authority in the event of the commission of a crime, riots, disasters or other emergencies which may occur within the Marine Terminal and that its Fire Department will respond to calls to put out fires within the Marine Terminal. To this end, the Port Authority is hereby

authorized to connect a fire alarm system to be installed by the Port Authority within the Marine Terminal to the City's fire alarm system.

Section 1.05 The Port Authority, at its own expense, will make and maintain all connections, it deems necessary between the City water mains and sewers and installations within the Marine Terminal. The City shall, subject to applicable State law, grant permission for such connections. The Port Authority will pay water charges for water consumed by it or its tenants upon the same basis as other users throughout the City.

Section 1.06 Except as required by State and Federal law or regulation, no local law, enactment, ordinance, rule or regulation shall apply to the Marine Terminal or any part thereof constructed or operated by or on behalf of the Port Authority or its tenants. The Port Authority, however, plans as a matter of policy, to conform to the existing laws, enactments, ordinances, rules or regulations of the City concerning health and fire protection so long as the Port Authority finds it practicable so to do without interfering with, impairing or otherwise adversely affecting the efficiency and economy of the development or operation of the Marine Terminal or the Port Authority's ability to operate the Marine Terminal upon a self supporting basis, or its obligations, duties and responsibilities to the States of New Jersey and New York, its bondholders and the general public, but the decision of the Port Authority as to whether it is practicable so to do shall be controlling.

Section 1.07 The City agrees to do all things necessary, proper, convenient and desirable by way of cooperation in connection with the development of and operation by the Port Authority of the Marine Terminal. Whenever the consent of the City, another municipality, the State of New Jersey or the United States Government or any of their agencies, is necessary, proper, convenient or desirable in the opinion of the Port Authority, the City agrees to use its best efforts to provide or obtain such a consent.

Section 1.08 The City agrees to cooperate with the Port Authority, if so requested by the Port Authority, in making any necessary application for and in securing any and all Federal aid which may be obtainable under any applicable Federal laws for the development or operation of the Marine Terminal. Provided however that such cooperation shall not be in conflict or competing for funds with other projects the City designates as having a higher priority.

ARTICLE II

TAXES IN LIEU OF TAXES AND ASSESSMENTS

Section 2.01 The Port Authority agrees to pay to the City for the year 1988 and for each calendar year thereafter for so long as the Port Authority shall own the premises described in Exhibit A and Exhibit B attached hereto in lieu of any and all taxes and assessments with respect to real property located within the City of Jersey City, the sum of \$866,000, and the City hereby agrees to accept such sum as an annual payment as provided for in applicable statutes. The Port Authority represents that under the existing Marine Terminal Legislation governing the payment of in lieu of taxes, the figures in Section 2.01 and Section 2.03 of this agreement represents the taxes last paid prior to acquisition by the Port Authority, and therefore the maximum payment allowable for the premises.

Section 2.02 Payments to be made to the City pursuant to Section 2.01 above for the years 1988 and 1989 will be made by the Port Authority to the City within 30 days of the effective date of this agreement, said date being defined in Section 12.05 of Article XII of this agreement (herein referred to as the "Effective Date"). Thereafter all such payments required to be made shall be made annually on or before the first day of July in each year for which such payment is due. Each said payment shall be to the Treasurer of the City of Jersey City and checks shall be made payable to his order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by law of the State of New Jersey.

Section 2.03 Upon the conveyance to the JCEDC of the property described in Exhibit B attached hereto payments to be made to the City pursuant to this Section shall be reduced to \$762,000, for years subsequent to the year of conveyance and the payment in lieu of taxes provided for the year in which such conveyance occurs shall be adjusted pro rata.

* Section 2.04 For each year that the subject property is owned or controlled by the Port Authority, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the Marine Terminal and for each such year the City will mark the property comprising the Marine Terminal exempt on its tax records with a notation that such entry is made pursuant to this agreement.

Section 2.05 (a) It is understood and agreed that the sum to be paid to the City by the Port Authority in lieu of taxes as provided for herein represents the total amount to be paid by the

Port Authority to any taxing authority for taxes, in lieu of taxes or assessments with respect to the Marine Terminal and said payment will be held by the City for its benefit. The City hereby agrees to indemnify and hold harmless the Port Authority against any claims for taxes, payments in lieu of taxes or assessments which may be made against the Port Authority or the subject property while owned or controlled by the Port Authority in any action or proceeding brought by any person or taxing authority attempting to impose or collect taxes, payments in lieu of taxes or assessments other than as provided in this Agreement.

(b) The payment in lieu of taxes to be paid by the Port Authority pursuant to this Article shall be reduced by any amount paid or due to the City as real or personal property taxes, in lieu of tax payments or payments for municipal services by any owner, developer, vender, tenant, occupant or other user of any part of the property described in Exhibit A hereof except for those payments made pursuant to Section 1.05 (a) hereof. This paragraph shall not be construed however as subjecting any property owned or controlled by the Port Authority to taxation.

ARTICLE III

REAL ESTATE

Section 3.01 The JCEDC, subject to the conditions set forth in this Agreement shall undertake development, either directly or indirectly of what may be generally described as an Urban Industrial Development Project to be known as the Greenville Industrial Park (hereinafter referred to as "Project") and which is to be located on the property described in Exhibit B hereto (hereinafter referred to as the "Project Site").

Section 3.02 In consideration for the mutual promises and obligations of the parties pursuant to this agreement, the Port Authority shall, subject to the provisions of Section 4.05, as soon as practicable after the Effective Date, convey to the JCEDC, fee simple title to the Project Site, which site the parties agree to have a value of \$3 million, subject to easements, covenants and restrictions of record and to such state of facts as an accurate survey may show. It is understood and agreed that the Port Authority shall be repaid \$3 million, the value of the land conveyed, in a manner provided for in Section 5.01 hereof.

Section 3.03 Neither the Port Authority nor its Commissioners, officers, employees or agents shall be deemed to have made any representation, warranty or statement as to the condition of the property to be conveyed or the suitability thereof for the development thereon contemplated by the JCEDC. The Port Authority shall convey title to and deliver the

premises in its presently existing "as is" condition. The JCEDC agrees to and shall accept the premises in its "as is" condition and the Port Authority shall have no obligation for furnishing work to or preparation of any portion of the premises other than as may be specifically provided for herein.

Section 3.04 If requested by the JCEDC, or if the Port Authority so elects, the Port Authority agrees to use its best effort to obtain a letter of non-applicability from the New Jersey Department of Environmental Protection (NJDEP) confirming that compliance with the New Jersey Environmental Cleanup Responsibility Act, N.J.S.A. 13:K-6 et seq (ECRA) is not required for the transaction contemplated. If said letter of non-applicability is not obtained, the Port Authority shall, upon the request of the JCEDC, submit a negative declaration to the NJDEP for approval, provided however, that all costs of preparing and obtaining the negative declaration and its approval, including the cost of any soil testing which NJDEP shall require, shall be paid by the JCEDC.

Section 3.05 The JCEDC, may at its own cost and expense, promptly arrange for an inspection by its own staff or by a consultant to be selected by it into the composition of the Project Site in order to determine the presence in or on the premises of hazardous or toxic substances. The JCEDC shall promptly transmit to the Port Authority copies of the reports prepared pursuant thereto as they are received. In the event such investigation reveals the presence of any hazardous or toxic substances which will result in present or future hazard or prevent development, then in that event the JCEDC may, at any time prior to conveyance of title, but not later than December 30, 1988, elect not to accept conveyance of the Project Site.

Section 3.06 Should the JCEDC fail to award bona fide design and construction contracts for the development of the contemplated Project totalling at least One Million Dollars (\$1,000,000) within two years after the Effective Date, title to the Project Site shall revert to the Port Authority. In such an event, it shall be the obligation of the JCEDC to deliver possession of, and to reconvey title to the property to the Port Authority promptly in at least the same condition as at the time of conveyance of the property to the JCEDC by the Port Authority, title to be subject to only those encumbrances which existed at the time of conveyance to the JCEDC. Upon reconveyance to the Port Authority, the provisions of Article 1 shall apply to the property reconveyed. The aforesaid power of termination shall be incorporated in the Port Authority's deed to the JCEDC. A copy of the form of deed is attached as Exhibit D.

Section 3.07 The Port Authority agrees to make available to the City and to the JCEDC copies of the results of any environmental tests conducted on the Project Site that it has in its possession and, if so requested by the JCEDC, to cooperate with and assist the JCEDC in making any applications which may be required under applicable environmental laws and regulations as a prerequisite to the effectuation of the Project by the JCEDC.

Section 3.08 The JCEDC hereby guarantees and warrants that the Project Site will be used only for the development and operation of an Industrial Park and that neither the City nor JCEDC will permit said property to be used for any purpose or in any manner that will be inconsistent or incompatible with or will in any way interfere with or hinder the operation of the Marine Terminal, a restriction to such effect to be set forth in the Port Authority's deed to the JCEDC.

ARTICLE IV

PROJECT DEVELOPMENT AND OPERATION

Section 4.01 The JCEDC shall prepare and design the Project Site to accommodate a minimum of 100,000 square feet of industrial building space, and shall be solely responsible for the initial financing as described in this Article, the marketing of Project improvements and the provision of a Project-related on-site employment office.

Section 4.02 Unless otherwise provided for herein, all details of the effectuation of the Project including, but not limited to, details of design, construction, marketing, maintenance, financing, leasing and rentals, and the cost thereof, shall be within the sole discretion and responsibility of the JCEDC. It is understood that the JCEDC may, in its discretion, utilize private real estate interests and developers in carrying out any aspect of the development of the Park. The JCEDC shall not sell or lease substantially all of the Project Site to a single proposed purchaser or lessee without the prior written approval of the Port Authority. Such approvals shall not be unreasonably withheld or delayed.

Section 4.03 The JCEDC shall commence preparation of the Project Site for construction within nine (9) months after conveyance by the Port Authority to the JCEDC of the Project Site, and will arrange through its own efforts, private developers or others for completion of construction of all buildings to be located within the Project Site.

Section 4.04 (a) Subject to the terms and conditions of this agreement, the Port Authority will make available to the JCEDC, an amount up to \$3 million to be used by the JCEDC in

the undertaking to provide certain Infrastructure Investment to the Project Site and surrounding area, including any environmental testing of the Project Site, the total cost of which the JCEDC has represented will be approximately \$9 million. The Port Authority will provide said funds upon written request from the JCEDC, which request must specify the purpose, amount and anticipated date of the expenditure by the JCEDC to others. The funds provided by the Port Authority will be provided pari passu with those provided by the City or JCEDC for said improvements (ie. The Port Authority will provide money towards JCEDC Infrastructure Investment at a ratio of one dollar to every two dollars of costs to be incurred, until the \$3 million dollar Port Authority commitment is exhausted). The Port Authority will have the right to review and approve the plans and specifications, such review shall not be unreasonably withheld or delayed, but shall not have the obligation to do so. The funds to be provided by the Port Authority will be used by the City solely for the purposes provided for in this agreement.

(b) The Port Authority shall have the right to audit and inspect the books, records and other data of the City and JCEDC relating to the JCEDC's expenditure of funds advanced by the Port Authority for Infrastructure Investments and the JCEDC shall maintain and submit, when requested, all documentation in support of such expenditures as may be reasonably required by the Port Authority.

(c) It is understood and agreed that the Port Authority shall be repaid the monies provided pursuant to this Section in the manner provided for in Section 5 hereof.

Section 4.05(a) The City agrees that, as part of the infrastructure improvements provided for in Section 4.04 hereof, it shall, prior to October 1, 1988, at its own cost and expense, acquire and make available any property rights necessary to extend Colony Road northerly from its present northerly terminus to property presently owned by the Port Authority, so as to provide vehicular and utility access to the property owned by the Port Authority, which road extension shall include a grade crossing over the tracks currently owned or operated by the Port Jersey Railroad. The City shall, upon request of the Port Authority, take such action as may be required to dedicate such extension to public use as a public street.

(b) The Port Authority, upon acquisition and provision by the City of the necessary property interests, will, at its own cost and expense, construct the extension of Colony Road and grade crossing on behalf of the City.

(c) If for any reason the improvements to Colony Road contemplated by this Section are not completed and the extension of the road not dedicated by the date the JCEDC requests the conveyance of the Project Site as provided for in Section 3.02 hereof, then in that case the conveyance by the Port Authority of the Project Site shall be subject to a reservation by the Port Authority of an easement over the Project Site for access from Industrial Drive to the Greenville Yard Section of the Marine Terminal. Such easement shall be for use in connection with the Marine Terminal until such time as the improvements to Colony Road are completed and the road extension dedicated as a public thoroughfare providing access to the Marine Terminal, but in no event shall such easement extend later than one (1) year after conditions in Section 4.05(a) are met.

Section 4.06 The City and JCEDC shall, in planning, developing and maintaining the necessary improvements to the infrastructure including, but not limited to, roads, water and sewerage systems serving the Project and the general area, insure the reasonable proximity of and a capacity in each said improvement sufficient to meet the future needs of the Marine Terminal. It is currently anticipated that at full development the Marine Terminal will require not less than 0.10 million gallons of water per day at a pressure of 50 P.S.I. with a peak hour requirement of 550 G.P.M. and that the Marine Terminal will produce not less than 0.02 million gallons of sewerage effluent per day with a peak discharge 150 G.P.M.

Section 4.07 It is desirable for the successful effectuation of both the Project and the Marine Terminal that utility companies providing gas, telephone and electricity services, install, at their own cost and expense, facilities to serve the Project and the Marine Terminal. Toward that end, the parties agree to cooperate in obtaining such installations.

ARTICLE V

PROJECT REVENUES

Section 5.01 All revenues received by the City and the JCEDC as Net Operating Revenues from the Project shall be held by JCEDC and distributed in the following priority order:

- a) Payment to JCEDC to cover its costs for Debt Service on JCEDC Infrastructure Investment.
- b) Payment to the Port Authority to cover its costs for Debt Service on Port Authority Infrastructure Investment.
- c) Payment to the JCEDC to cover its costs for Debt Service on Non-Infrastructure Investment.

d) Thereafter, in each year in which sufficient funds are available, one half of such remaining funds shall be paid to the Port Authority until such time as the full amount of the \$3 million representing the value of the property conveyed pursuant to Section 3.02 hereof has been repaid.

Section 5.02 Should the City or the JCEDC convey title to substantially all of the Project Site to a person or persons not a party to this agreement the balance of the funds to be repaid to the Port Authority pursuant to Section 5.01 which remain unpaid shall become immediately due and owing.

Section 5.03 The City and the JCEDC shall furnish to the Port Authority as soon as practicable after the end of each calendar year, and in any event within ninety (90) days thereafter, financial statements covering the operation of the Project, including the Gross Operating Revenues, Net Operating Revenues and components thereof as well as the distributions to be made pursuant to Section 5.01 hereof, all in reasonable detail, which statements shall be prepared in accordance with generally accepted auditing standards relating to reporting.

Section 5.04 Until such time as full repayment is made to the Port Authority as provided for in this Article, the Port Authority shall have the right by its agents, employees and representatives to audit and inspect all books, records and other data relating to the Project and the cost thereof, and all books, records and other data relating to revenues and income. The Port Authority hereby expressly reserves all rights and remedies available to it in law and in equity in the event any Port Authority audit or inspection shows that any payment or failure to pay the Port Authority any amount due hereunder was not in accordance with the provisions hereof, or was otherwise improper.

ARTICLE VI

MUNICIPAL COOPERATION

Section 6.01 The City and the Port Authority agree that the repair, replacement or rehabilitation of certain municipal infrastructure systems and support systems within the City may directly benefit the Project Site and the Marine Terminal and that it is their mutual interests to cooperate in the rehabilitation and upgrading of certain systems. The City and the Port Authority will confer and jointly identify certain work projects to be undertaken by the City in the nature of repair, replacement or rehabilitation of certain infrastructure systems, including

but not limited to streets, traffic signals and utilities in the City which relate directly to the Marine Terminal and the Project.

Section 6.02 The City shall advise the Port Authority in writing of the proposed work projects to be undertaken as aforesaid, the estimated cost thereof, whether the work project will be performed by the City through its employees or by independent contractors, the estimated date of completion of the work project and the amount of financial support requested of the Port Authority.

Section 6.03 The Port Authority agrees to provide an amount not to exceed \$750,000 for use by the City toward the total cost of the work to be undertaken by the City pursuant to this Article. The Port Authority will provide said funds, or a portion thereof, to the City upon written request from the City setting forth the information specified in Section 6.02 hereof. The Port Authority will have the right to approve or reject such requests for funds and to review all bids and contracts for the work covered thereby. Such review or approval shall not be unreasonably withheld or delayed.

Section 6.04 It is understood by the parties that the financial participation by the Port Authority in improvements to be undertaken by the City as provided for herein represents the entire Port Authority payment, either directly or indirectly, for work to be undertaken at sites other than on the Marine Terminal, and that no further requests for funds for such projects will be made by either the City or JCEDC.

ARTICLE VII

ROADS AND TRAFFIC

Section 7.01 (a) The City agrees that upon the request of the Port Authority which may be made from time to time, it shall adopt ordinances or take whatever other legal actions may be necessary and / or required to vacate all or any part of that portion of Port Jersey Boulevard described in Exhibit C attached hereto and to authorize the conveyance to the Port Authority of all of the City's right, title and interest therein. Upon vacation by the City, and in consideration thereof the Port Authority shall continue the payments as provided in Section 7.03(b).

(b) Upon the vacation of all or any part of said street by the City, the Port Authority will assume control of and be responsible for the improvement and maintenance of the former

street area acquired as a Marine Terminal Highway and the City will be relieved of any future responsibility with regard thereto.

Section 7.02 The City agrees, that, upon the request of the Port Authority it will cooperate and endorse any application by the Port Authority to the New Jersey Department of Motor Vehicles or any other State or local department or agency having jurisdiction in the matter for any permission or authority necessary to enable vehicles not yet registered to transit over Port Jersey Boulevard between the eastern terminus of that road and the Greenville Yard portion of the Marine Terminal.

Section 7.03 (a) The City agrees that from time to time it shall adopt such ordinances and take whatever other legal action may be necessary and / or required to grant to the Port Authority, for the duration of the Port Authority's ownership and control of the Marine Terminal, or for such greater or lesser time as the Port Authority may deem necessary, exclusive and sufficient legal rights to portions of Port Jersey Boulevard, more particularly described in Exhibit C attached hereto, for the Port Authority to utilize such property for marine terminal purposes including the construction, operation and maintenance of a private access road.

(b) The Port Authority agrees that, in consideration for the grant by the City to the portions of Port Jersey Boulevard described in Exhibit C as well as other obligations undertaken by the City in this Agreement including those provided for in Section 7.01 hereof, it will pay or cause to be paid to the City the sum of \$40,000 per year for a period of twenty-five (25) years. The initial payment shall be made within thirty (30) days of the effective date of the ordinance granting said rights and thereafter on the anniversary of the effective date of said ordinance in each year a payment is due.

(c) The Port Authority shall have the exclusive right to use the property which is subject to the rights to be granted pursuant to this Section and, at its cost and expense, may pave, fence and utilize said property in conjunction with the operation of the Marine Terminal.

(d) The Port Authority agrees to indemnify and hold harmless the City against any and all claims and causes of action arising out of the use by the Port Authority of the portions of Port Jersey Boulevard described in Exhibit C attached hereto while under the operation and control of the Port Authority pursuant to paragraph (a) above.

Section 7.04 The Port Authority agrees that, in planning and constructing the location of rail ramps within the Marine Terminal, it will not construct or install any ramps that will hinder or impede traffic to and from the the Project and will confer with the City and JCEDC with re-

gard to the location of said ramps and will consider recommendations made by the City and JCEDC with regard thereto, it being understood however that the final decision with regard to the location of the ramps shall be solely within the Port Authority's discretion, subject to the above conditions.

Section 7.05 The City and JCEDC agree that, in planning the access and approach roads to the Project it will confer with the Port Authority and consider the possible impact on traffic to and from the Marine Terminal and will take no action or construct or install any roads, traffic systems or devices that will hinder or impede traffic to and from the Marine Terminal. It being understood however that the final decision with regard to the location of access and approach roads shall be solely within the City's and JCEDC's discretion, subject to the above conditions.

ARTICLE VIII

MARKETING AND FOREIGN-TRADE ZONE COOPERATION

Section 8.01 The Port Authority will participate and cooperate with the City and JCEDC in the marketing of the Project and, toward that end, will provide technical services to the City and JCEDC to assist the City in obtaining foreign-trade zone status under the Foreign Trade Zone Act and will incorporate the Project Site in the Port Authority's current application. Toward that end the Port Authority and the JCEDC will seek to enter into a Foreign Trade Zone operating agreement. The Port Authority will also investigate and advise the City and JCEDC as to the feasibility of extending foreign-trade zone status to the City's urban enterprise zone.

Section 8.02 The City and JCEDC agree to endorse and cooperate with the Port Authority in an application to be made by the Port Authority to the Foreign Trade Zones Board for foreign trade zone status for the Marine Terminal and Industrial Park.

Section 8.03 The Port Authority will use its best efforts, to the extent permitted by law, to encourage the lessees, tenants or operators at the Marine Terminal to endeavor to provide employment to local personnel.

Section 8.04 The City and JCEDC will use their best efforts, to the extent permitted by law, to encourage the lessees, tenants, grantees or operators of the Project to utilize marine terminal facilities of the Port of New York and New Jersey for the import or export of water borne cargo used, manufactured, fabricated, stored or distributed at the Project.

ARTICLE IX

LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 9.01 The Port Authority shall not be liable for any claims arising or resulting from acts or omissions of the City, JCEDC, contractors or parties participating in the development of the Project provided that such limitation shall not extend to any claim arising or resulting from acts or omissions of the Port Authority, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the Port Authority has reserved or assumed. The City and JCEDC hereby undertake and agree to indemnify and save the Port Authority harmless from, and at the Port Authority's request defend, any claims, causes of action or judgments, by reason of personal injuries, including death, sustained by any person or persons, and for any claims for damages to property, arising from the construction or operation of the Project except as to any claims arising or resulting from acts or omissions of the Port Authority, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the Port Authority has reserved or assumed.

Section 9.02 The City or JCEDC shall not be liable for any claims arising or resulting from acts or omissions of the Port Authority, contractors or parties participating in the development of the Marine Terminal; provided that such limitation shall not extend to any claims arising or resulting from acts or omissions of the City, its officials, employees, agents or contractors or from acts or omissions of the JCEDC, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the City or JCEDC has reserved or assumed.

Section 9.03 Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, nor the Mayor, any Councilman, or any officer, agent or employee of the City, nor the Executive Director or any Director, officer, agent or employee of the JCEDC shall be charged personally with any liability, or held liable under the terms or provisions of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 9.04 Nothing contained within this Agreement is intended to nor shall it be construed to create any rights of any kind whatsoever in persons not parties to this agreement.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01 If any of the parties hereto shall materially breach any of the representations, warranties, or covenants set forth in this Agreement, and such breach shall be recurring or continue for a period of thirty (30) days, such party shall be deemed to be in default of this Agreement. Either non-defaulting party shall serve written notice of such default upon the defaulting party with a copy to all other parties and if, within thirty (30) days after such notice is served, the breach is not remedied or substantial action commenced to remedy such breach, such breach shall then constitute an Event of Default.

Section 10.02 Upon the occurrence of an Event of Default, either non-defaulting party may sue for damages or seek equitable relief in a Court of competent jurisdiction pursuant to the applicable statutes relating to suits against either party.

ARTICLE XI

NOTICE

Section 11.01 Any notice required under this Agreement to be sent by any party to the other shall be sent by certified mail, return receipt requested, and addressed as follows:

- a) When sent to the Port Authority it shall be addressed to: Director, Port Department, The Port Authority of New York and New Jersey, 84 West, One World Trade Center, New York, New York 10048, unless prior to giving said notice the Port Authority shall have notified the parties hereto otherwise.
- b) When sent to the City, it shall be addressed to : Mayor, City of Jersey City, City Hall, Grove Street, Jersey City, New Jersey 07302, unless prior to giving said notice the City shall have notified the parties hereto otherwise.
- c) When sent to the JCEDC it shall be addressed to: Executive Director, Jersey City Economic Development Corporation, 601 Pavonia Avenue, Jersey City, New Jersey 07306 unless prior to giving said notice the JCEDC shall have notified the parties hereto otherwise.

ARTICLE XII

MISCELLANEOUS

Section 12.01 This agreement shall be construed in accordance with and the rights of the parties hereto shall be determined by the laws of the State of New Jersey.

Section 12.02 Neither this agreement nor any thing contained herein is intended, nor shall be construed as a consent, either expressed or implied by the Port Authority that it or the Marine Terminal be subject to state legislation or regulations, which would, in the absence of this agreement, otherwise not be applicable to it.

Section 12.03 This agreement, including the Exhibits attached hereto, sets forth the entire agreement among the parties concerning the subject matter hereof and shall not be modified or amended except by an instrument in writing signed by the parties. It is understood that this agreement revokes all prior and contemporaneous oral or written proposals, oral or written agreements, understandings, representations, conditions, warranties, covenants and all other circumstances between the parties relating to the subject matter of this Agreement.

Section 12.04 None of the parties shall assign, or attempt to assign, its respective obligations under this Agreement without the prior written consent of each of the other parties.

Section 12.05 This agreement shall become effective on the date of its execution or on the date of approval by the parties as provided in Section 12.06 hereof, whichever is later.

Section 12.06 (a) The parties agree that this Agreement shall not become effective until approved by the City Council of the City of Jersey City. Accordingly, the City shall deliver to the Port Authority and JCEDC a certified copy of any ordinance or resolution of the City Council, approved as to form by its Corporation Counsel, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereunder, within ten (10) days after its effective date or the execution of this Agreement, whichever is later.

(b) The parties further agree that this Agreement shall not become effective until approved by the Board of Commissioners of the Port Authority and until the appropriate authorizations and certifications are made by the Board of Commissioners of the Port Authority, including those which are required in fulfillment of covenants with bondholders and applicable law prior to the issuance of Port Authority Consolidated Bonds. Accordingly, the

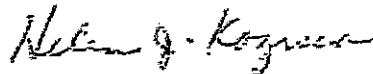
Port Authority shall deliver to the City and JCEDC a certified copy of any such resolution of the Board of Commissioners of the Port Authority, authorizing the execution of this Agreement and the consummation of transactions contemplated hereunder, within ten (10) days after the effective date of such resolution or the execution of this Agreement, whichever is later.

(c) The parties further agree that this Agreement shall not become effective until approved by the Board of Directors of the JCEDC. Accordingly, the JCEDC shall deliver to the Port Authority and the City a certified copy of the resolution of its Board of Directors approving this Agreement and authorizing its execution and the consummation of transactions contemplated hereunder, which resolution shall be delivered within ten (10) days after the effective date thereof or the execution of this Agreement, whichever is later.

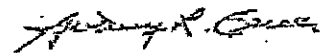
Section 12.07 This agreement shall be binding upon the parties and their legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have caused their duly authorized representatives to execute this Agreement as of the date first above written.

Attest:


Helen J. Kozminski
City Clerk

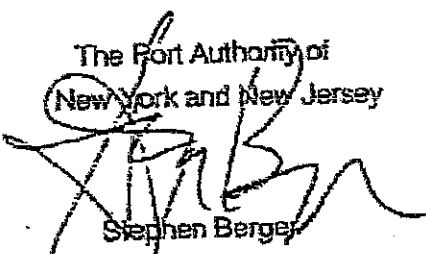
City of Jersey City


Anthony R. Cucchi, Mayor

Attest:


John J. O'Sullivan
Secretary

The Port Authority of
New York and New Jersey



Stephen Berger
Executive Director

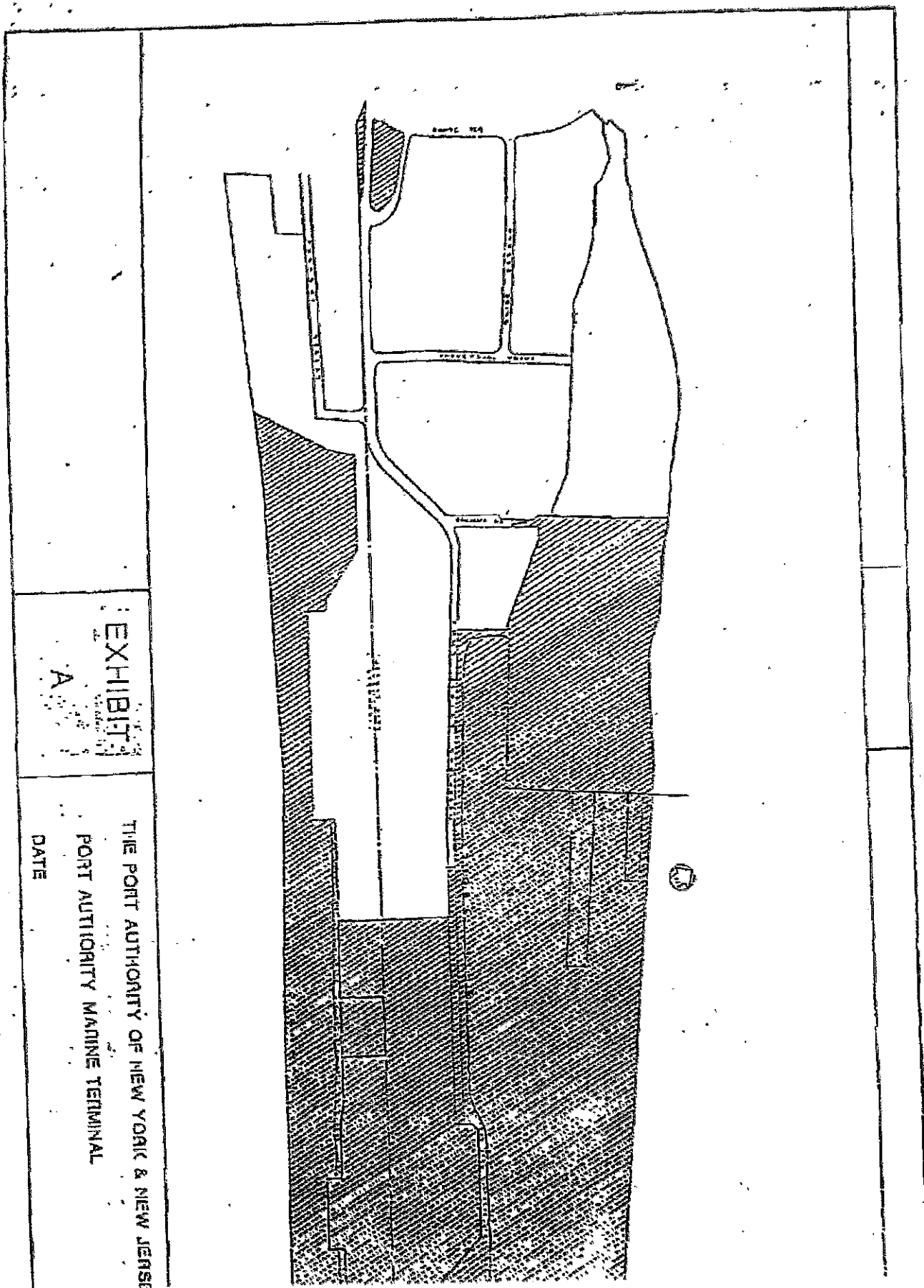


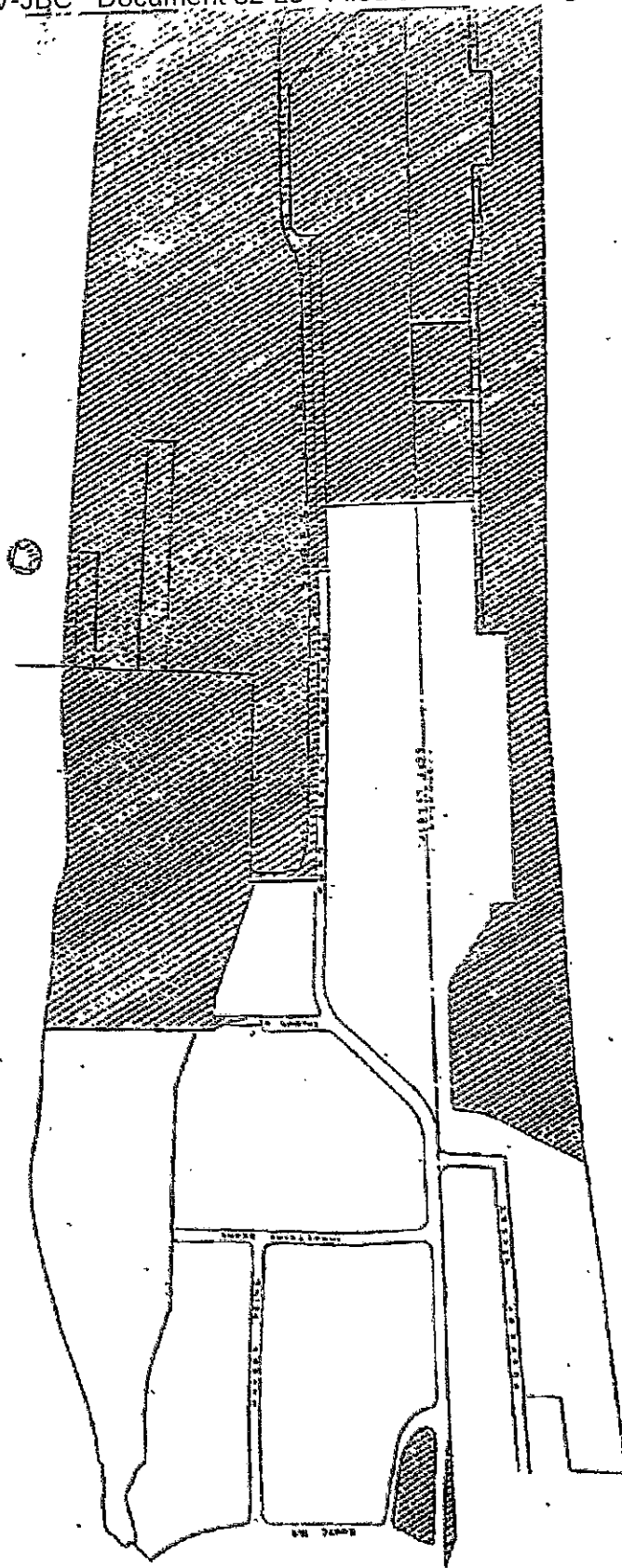
Attest:


Sheila Thompson
Secretary

Jersey City Economic
Development Corporation

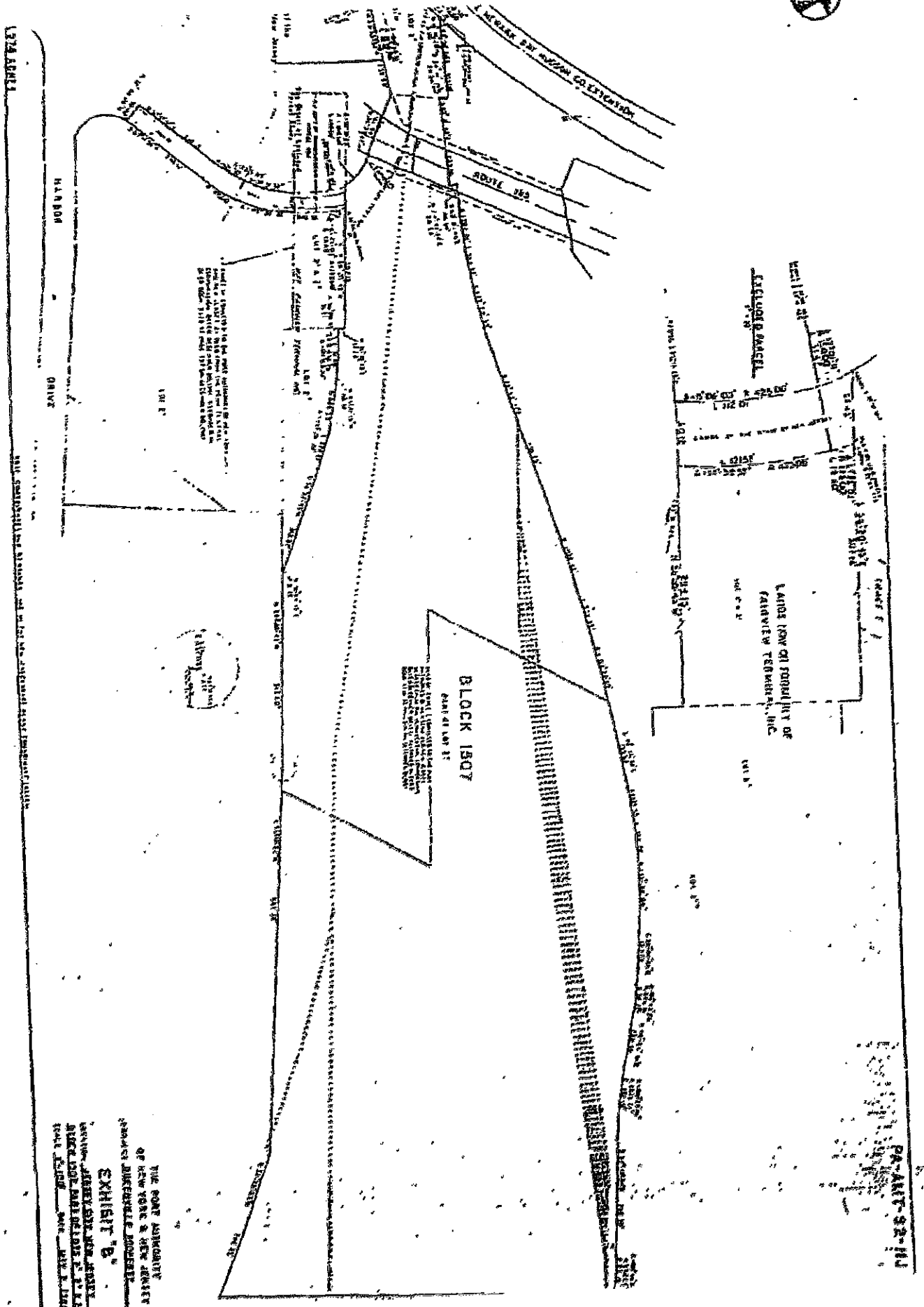

Thomas D. Ahern
Executive Director





THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PORT AUTHORITY MARINE TERMINAL
DATE

EXHIBIT
A



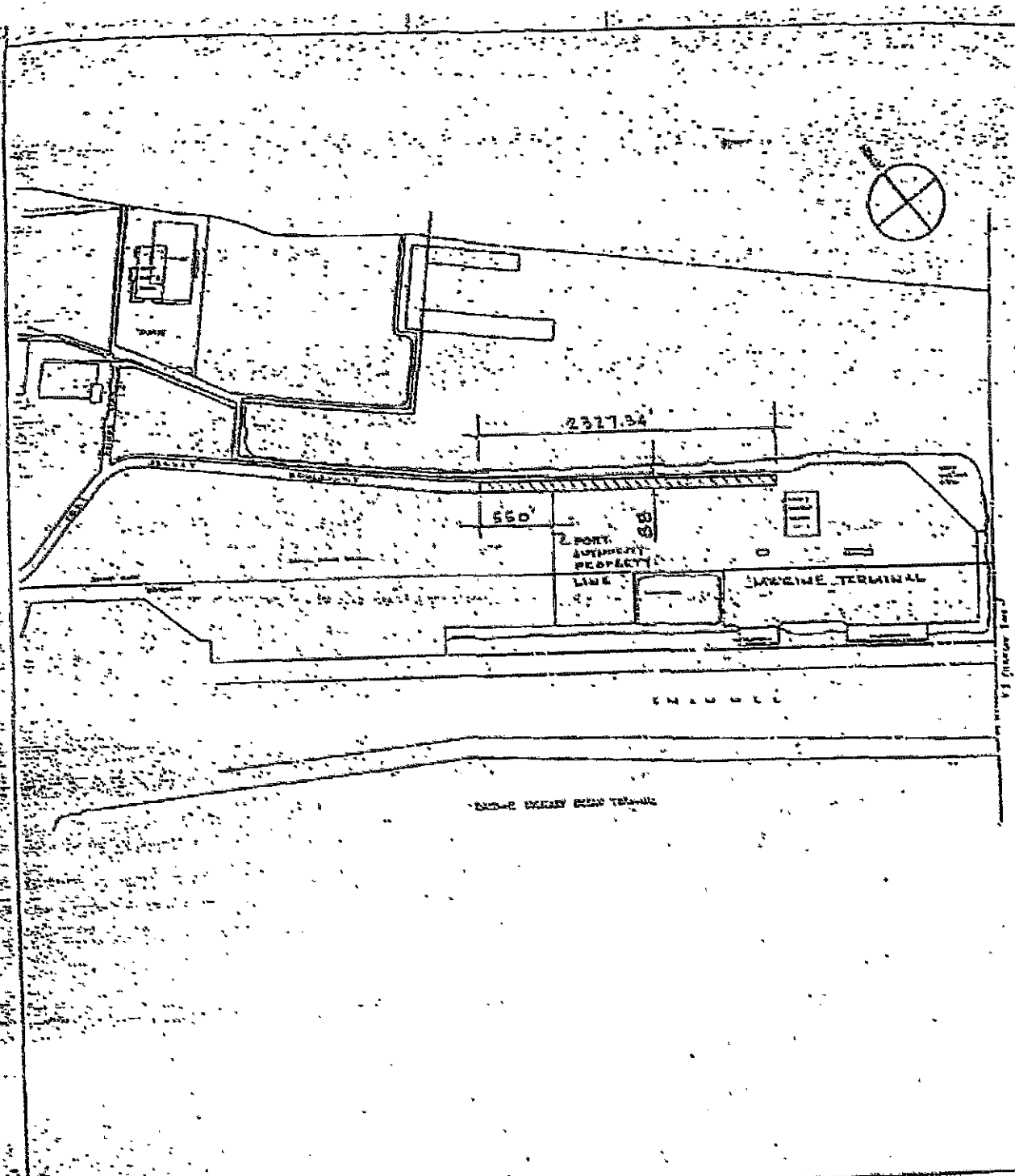


	EXHIBIT C	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY PORT AUTHORITY MARINE TERMINAL DATE: -
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EXHIBIT D

THIS DEED, made of this day of , 1988,
between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body
corporate and politic, established by Compact between the States
of New York and New Jersey, with the consent of the Congress of
the United States, having its principal office at One World Trade
Center, New York, New York 10048, hereinafter referred to as
"Grantor," and the JERSEY CITY ECONOMIC DEVELOPMENT CORPORATION,
a non-profit corporation of the State of New Jersey, having its
principal office at 601 Pavonia Avenue, Jersey City, New Jersey
07306, herewith referred to as "Grantee".

WITNESSETH, that Grantor for and in consideration of
Three Million Dollars (\$3,000,000.00) lawful money of the United
States of America, to be paid and satisfied by Grantee in the
manner specified in a certain unrecorded Agreement heretofore
entered into between the parties hereto and the City of Jersey
City, dated , 1988, hereinafter referred to as the
"Agreement," and other good and valuable consideration, has
given, granted, bargained, sold and conveyed and by these
presents does give, grant, bargain, sell and convey unto Grantee
and to its successors and assigns forever, all right, title and
interest of Grantor in and to:

All that tract or parcel of land situate, lying and
being in the City of Jersey City, County of Hudson and State of
New Jersey, more particularly described as follows:

BEGINNING at a point formed by the intersection of
the northeasterly line of lands of The Port Authority of New
York and New Jersey with the southerly line of lands of the
New Jersey Turnpike Newark Bay Hudson County Extension, said
point being further described as the northwesterly corner of
a certain Tract 1 of land conveyed to The Port Authority of
New York and New Jersey by The Penn Central Corporation et
al. by Deed dated December 30, 1981 and recorded in the
Hudson County Register's Office on December 31, 1981 in Deed
Book 3339 at page 328 et seq. and having coordinates in the
New Jersey State Plane Coordinate system of North
675,326.297 feet and East 2,159,090.583 feet and running the
following sixteen (16) courses and distances along said
northeasterly line of the lands of The Port Authority of New
York and New Jersey:

1. S64°-58'-06"E 211.05 feet to a point; thence
2. S24°-41'-14"W 20.34 feet to a point; thence
3. S65°-18'-46"E 224.65 feet to a point; thence
4. N24°-41'-14"E 20.34 feet to a point; thence
5. S65°-18'-46"E 44.54 feet to a point of curvature; thence
6. Along the arc of a circle curving to the left having a radius of 1702.04 feet, a central angle of 13°-24'-55" and an arc length of 398.52 feet to a point of tangency; thence
7. S78°-43'-41"E 459.25 feet to a point of curvature; thence
8. Along the arc of a circle curving to the right having a radius of 4026.45 feet, a central angle of 7°-57'-40" and an arc length of 559.47 feet to a point of tangency; thence
9. S70°-46'-01"E 155.97 feet to a point of curvature; thence
10. Along the arc of a circle curving to the right having a radius of 1307.44 feet, a central angle of 15°-38'-05" and an arc length of 356.77 feet to a point of tangency; thence
11. S55°-07'-56"E 150.75 feet to a point of curvature; thence
12. Along the arc of a circle curving to the right having a radius of 549.35 feet, a central angle of 6°-43'-25" and an arc length of 76.20 feet to a point of tangency; thence
13. S48°-24'-31"E 138.46 feet to a point of curvature; thence
14. Along the arc of a circle curving to the left having a radius of 1305.57 feet, a central angle of 8°-22'-55" and an arc length of 191.00 feet to a point of tangency; thence
15. S56°-47'-26"E 299.30 feet to a point of curvature; thence
16. Along the arc of a circle curving to the right having a radius of 950.64 feet, a central angle of 5°-49'-50" and an arc length of 96.74 feet to a point; thence
17. S31°-29'-14"W 1045.06 feet across the lands of The Port Authority of New York and New Jersey to a point in the southerly line of said Tract I; thence
18. N37°-52'-05"W 396.53 feet along the southerly line of said Tract I to a point; thence
19. N56°-11'-52"W 989.31 feet still along the southerly line of said Tract I to a point; thence

20. N33°-48'-08"E 0.37 feet still along the southerly line of said Tract I to a point; thence
21. N58°-20'-45"W 512.60 feet still along the southerly line of said Tract I to a point in the northeasterly line of lands conveyed by the United New Jersey Railroad and Canal Company to Fairview Terminal, Inc. by deed dated September 6, 1968 and recorded in the Hudson County Register's Office on May 8, 1981 in Deed Book 3322 at page 294 and another dated October 4, 1961 and recorded in the Hudson County Register's Office on June 6, 1962 in Deed Book 2905 at page 42; thence the following eight (8) courses and distances along said northeasterly line:
 22. N31°-39'-15"E 5.28 feet to a point; thence
 23. N38°-57'-45"W 265.07 feet to a point of curvature; thence
 24. Along the arc of a circle curving to the left having a radius of 886.35 feet, a central angle of 14°-29'-30" and an arc length of 224.18 feet to a point of tangency; thence
 25. N53°-27'-15"W 40.39 feet to a point of curvature; thence
 26. Along the arc of a circle curving to the left having a radius of 836.35 feet, a central angle of 4°-53'-30" and an arc length of 71.40 feet to a point of tangency; thence
 27. N58°-20'-45"W 36.81 feet to a point; thence
 28. N31°-39'-15"E 17.28 feet to a point; thence
 29. N58°-20'-45"W 307.16 feet to a point of curvature of a nontangent curve to which point a radial line bears S75°-44'-44"E and the northeast corner of a certain parcel of land designated as RSA on a map entitled: "New Jersey Department of Transportation, ENTIRE TRACT MAP, Route 185 (1953) Section 1, Harbor Drive to Caven Point Road, Showing Existing Right of Way and Parcels To Be Acquired in The City of Jersey City, County of Hudson, Scale: As indicated, July 1977"; thence
 30. Along the arc of a circle curving to the right having a radius of 175.00 feet, a central angle of 6°-25'-03" and an arc length of 19.60 feet and along the easterly line of Parcel RSA to a point of compound curvature; thence
 31. Along the arc of a circle curving to the right having a radius of 475.00 feet, a central angle of 46°-37'-38" and an arc length of 386.55 feet partially along the easterly line of Parcel RSA and partially through the lands of The Port Authority of New York and New Jersey to a point of tangency; thence
 32. S67°-17'-56"W 248.12 feet still through the lands of The Port Authority of New York and New Jersey to a point; thence

33. N22°-42'-04"W 50.00 feet still through the lands of The Port Authority of New York and New Jersey to a point in the lands of the State of New Jersey
34. N67°-17'-56"E 248.12 feet along the lands of the State of New Jersey to a point of curvature; thence
35. Along the arc of a circle curving to the left having a radius of 425.00 feet, a central angle of 31°-31'-38" and an arc length of 233.86 feet and along the lands of the State of New Jersey to a point of curvature in the southerly line of said parcel RSA; thence
36. Continuing along the arc of the same circle recited in course 35 curving to the left having a radius of 425.00 feet, a central angle of 15°-06'-00" and an arc length of 112.01 feet and through the lands of the State of New Jersey to the beginning point of a nontangent curve to which beginning of curve a radial line bears S77°-06'-49"E; thence
37. Along the arc of a circle curving to the left having a radius of 150.00 feet, a central angle of 12°-01'-11" and an arc length of 31.47 feet and still through the lands of the State of New Jersey to a point of curvature and a point in the southerly line of said Tract I conveyed to The Port Authority of New York and New Jersey; thence
38. Continuing along the arc of the same curve recited in course 37 curving to the left having a radius of 150.00 feet, central angle of 32°-51'-23" and an arc length of 86.02 feet and along the southerly line of said Tract I to the terminus of the curve to which terminus a radial line bears N58°-00'-37"E; thence
39. N36°-55'-27"W 181.94 feet still along the southerly line of said Tract I to a point; thence
40. N73°-35'-36"W 236.62 feet still along the southerly line of said Tract I to a point of curvature of a nontangent curve to which point a radial line bears S19°-01'-04"W; thence
41. Along the arc of a circle curving to the right having a radius of 210.00 feet, a central angle of 19°-22'-32" and an arc length of 71.01 feet still along the southerly line of said Tract I to another point of curvature in the southerly line of lands of the New Jersey Turnpike Newark Bay Hudson County extension and to which point a radial line bears S13°-43'-36"E; thence
42. Along the arc of a circle curving to the left having a radius of 2830.00 feet, a central angle of 0°-25'-11" and an arc length of 28.96 feet and along said southerly line of the New Jersey Turnpike to a point; thence
43. N22°-02'-51"W 53.50 feet still along the southerly line of the New Jersey Turnpike to a point of curvature of a nontangent curve to which point a radial line bears S14°-09'-52"E; thence

44. Along the arc of a circle curving to the left having a radius of 2777.00 feet, a central angle $2^{\circ}-36'-37''$ and an arc length of 126.51 feet and still along the southerly line of the New Jersey Turnpike to a point to which a radial line bears $S16^{\circ}-46'-28''E$; thence
45. $N16^{\circ}-46'-28''W$ 5.00 feet along said radial line and along the southerly line of the New Jersey Turnpike to a point of curvature of a nontangent curve; thence
46. Along the arc of a circle curving to the left having a radius of 2772.00 feet, a central angle of $1^{\circ}-10'-56''$ and an arc length of 57.19 feet to the point and place of beginning.

EXCLUDING therefrom the following described parcel of property:

Beginning at a point formed by the intersection of the division line between the lands of the State of New Jersey and said Tract I with the westerly line of lands now or formerly of Fairview Terminal, Inc., said point being further described as the northeast corner of said Parcel RSA and running:

1. Southerly along said westerly line of lands now or formerly of Fairview Terminal, Inc. and along the arc of a circle curving to the right having a radius of 175.00 feet, a central angle of $6^{\circ}-25'-03''$ and an arc length of 19.60 feet to a point of compound curvature; thence
2. Southerly still along said westerly line and along the arc of a circle curving to the right having a radius of 475.00 feet, a central angle of $14^{\circ}-39'-57''$ and an arc length of 121.58 feet to a point in the northerly line of a certain Tract IV of land conveyed to The Port Authority of New York and New Jersey by the Penn Central Corporation et al. by deed dated December 30, 1981 and recorded in the Hudson County Register's Office on December 31, 1981 in Deed Book 3339 at page 337 et seq.; thence
3. $N58^{\circ}-20'-45''W$ 50.12 feet along the northerly line of said Tract IV to a point of curvature of a nontangent curve, to which point a radial line bears $S54^{\circ}-13'-42''E$; thence
4. Along the arc of a circle curving to the left having a radius of 425.00 feet, a central angle of $15^{\circ}-06'-00''$ and an arc length of 112.01 feet to the beginning of a nontangent curve to which beginning of curve a radial line bears $S77^{\circ}-06'-49''E$; thence
5. Along the arc of a circle curving to the left having a radius of 150.00 feet, a central angle of $12^{\circ}-01'-11''$ and an arc length of 31.47 feet to a point in the southerly line of said Tract I; thence
6. $S58^{\circ}-20'-45''E$ 57.45 feet along said southerly line of Tract I to the point and place of beginning.

BEING a portion of the premises conveyed to Grantor by Deed from The Penn Central Corporation and The United New Jersey Railroad and Canal Company dated December 30, 1981 and recorded in the office of the Hudson County Register on December 31, 1981, in Deed Book 3339, at page 328 etc.

RESERVING to Grantor, its successors and assigns, a permanent and perpetual easement over and upon the above-described premises for ingress and egress, with men and vehicles, to and from Industrial Drive and Grantor's real property abutting said premises, which easement shall be for the benefit of Grantor and Grantor's tenants, and their respective agents, servants, licensees and invitees; provided, however, that such easement shall terminate at such time as Colony Road shall be extended northerly to provide direct access to Grantor's said real property and such extension thereof shall be dedicated to public use by duly adopted ordinances, but in no event later than one year after Grantee has provided the property interests for the extension of Colony Road.-

By acceptance of delivery of this Deed, Grantee covenants that the premises hereby conveyed shall be used solely for the development and operation of an industrial park and for no other purpose whatsoever and shall at no time be used in a manner which unreasonably interferes with or hinders the operation of Grantor's Jersey City marine terminal facilities. This covenant shall be deemed to run with the land and shall be binding upon Grantee, its successors and assigns.

The within conveyance is subject to a condition that in the event that Grantee shall fail to award bona fide contracts for the design and construction of improvements within the above-described premises in an aggregate amount of at least One Million Dollars (\$1,000,000) within two (2) years after the Effective Date of the Agreement, Grantor shall have the right to terminate the within conveyance and to re-enter the premises and Grantee

shall, if so requested by Grantor, deliver to Grantor a deed reconveying said real property to Grantor, title to be subject only to those encumbrances affecting the property at the time the within deed was delivered.

TOGETHER with all and singular and buildings, improvements, ways, woods, waters, watercourses, rights, liberties, privileges, hereditaments and appurtenances to the same belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and of every part and parcel thereof.

AND ALSO all the estate, right, title, interest, use, possession, property, claim and demand whatsoever, of the Grantor both in law and in equity, of, in and to the premises herein described, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD all and singular, the premises herein described, together with the appurtenances, but subject to the reservation, covenant and condition hereinabove set forth, unto the Grantee and to Grantee's proper use and benefit forever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be signed and attested by its proper corporate officers and its corporate seal to be hereto affixed and the day and year above written.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

BY: _____

TITLE: _____

ATTEST

BY: _____

TITLE: _____

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

**EXHIBIT 5
(2012 PILOT AGREEMENT)**

**AGREEMENT FOR THE VOLUNTARY
PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
AND THE CITY OF JERSEY CITY**

THIS AGREEMENT is made as of May 18, 2012, between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having its principal executive office at 225 Park Avenue South, in the City, County and State of New York (hereinafter referred to as the "Port Authority") and THE CITY OF JERSEY CITY, a municipal corporation in the County of Hudson, State of New Jersey and organized under and existing by virtue of the laws of the State of New Jersey, having its principal office located at 280 Grove Street, Jersey City, New Jersey (hereinafter referred to as the "City"). Collectively, throughout this agreement, the Port Authority and the City shall be referred to as the "Parties."

WITNESSETH

NOW THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

I. GENERAL

1.01 Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey and shall be governed by the provisions of (a) N.J.S.A. 32:1-35.52, (b) N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq. and (c) Ordinance No. 11-122 pursuant to which the Municipal Council approved the Payments in Lieu of Taxes, and authorized the execution of this Agreement.

1.02 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

- a. Payments in Lieu of Taxes or PILOT** – The amount the Port Authority has agreed to pay the City hereof which sum is in lieu of any taxes on the Improvements and the Land, including but not limited to any special assessments, added and or omitted assessments or property taxes of whatsoever kind which amount, if applicable, shall be pro-rated in the year in which the Payments in Lieu of Taxes terminate.

- b. Payments in Lieu of Taxes Commencement Date – The Payments in Lieu of Taxes Commencement Date shall be January 1, 2011
- c. City – The City of Jersey City.
- d. Default – Shall be a breach of or the failure of the Port Authority to perform any obligation imposed upon the Entity by the terms of this Agreement beyond any applicable grace or cure periods after written notice of such failure.
- e. Improvements – Any building, structure, improvements, or fixture permanently affixed to the Land for which property taxes are routinely assessed.
- f. Land – The subject property more particularly described as Block 1514.C, Lots 301 and 302, Block 1514.D Lots 401 and 402, Block 1514.C Lot 302.DUP consisting of an area of 56.99 acres and the portion of Port Jersey Boulevard vacated by Ordinance 11-123 consisting of approximately 13.06 acres.
- g. Law – Law shall refer to N.J.S.A. 32:1-35.52, N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq., and Ordinance No. 11-122 which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.
- h. Ordinance – Ordinance No. 11-122 adopted by the Municipal Council of the City on October 12, 2011, attached hereto as Exhibit A, authorizing and accepting this PILOT Agreement pursuant to the authority set forth in N.J.S.A. 32:1-145.
- i. Project – The Land and Improvements thereon which are the subject of this Agreement.
- j. Termination – Any action or omission which by operation of the terms of this PILOT Agreement shall cause this PILOT Agreement to be terminated.

1.03 Exhibits Incorporated

All exhibits referred to in this PILOT Agreement and attached hereto are incorporated herein and made part hereof.

II. DURATION OF AGREEMENT

2.01 Term

It is understood and agreed by the parties that this Agreement, including the obligation to pay Payments in Lieu of Taxes and the tax exemption granted hereof, shall remain in effect during the period of usefulness of the Project and unless modified in accordance with section 3.06 below, shall continue in force only while fee title to the Project is owned by the Port Authority or any other agent, corporation, association or other entity formed by or contracting with the Port Authority.

2.02 Implementation of exemption & Filing with NJ DLGS

The City Clerk shall deliver to the City Tax Assessor a certified copy of the Ordinance No.11-122 adopted by the Municipal Council implementing the PILOT described herein however, the parties acknowledge and agree that the basis of the tax exemption is statutory and not dependent upon the adoption of the Ordinance. The Tax Assessor shall implement the exemption and continue to enforce that exemption without further documentation until the expiration of the entitlement to exemption by the terms of this PILOT Agreement.

Further, upon the adoption of this PILOT Agreement, a certified copy of Ordinance No. 11-122 adopted by the Municipal Council approving the tax exemption described herein and this PILOT Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the City Clerk.

III. PAYMENTS IN LIEU OF TAXES (PILOT)

3.01 Commencement of PILOT

In consideration of the tax exemption, the Port Authority shall make payment of the PILOT commencing on the PILOT Commencement Date. In the event that the Port Authority fails to timely pay any installment due, the amount past due shall bear interest permitted under applicable New Jersey law then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

3.02 Payment of PILOT

The Port Authority shall pay to the City the PILOT (as calculated in Section 3.03 of this Article), within ten (10) days of their due dates. The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year the PILOT payments are due. The PILOT shall be prorated in the year in which it terminates.

Each said payment shall be made to the Treasurer of the City of Jersey City. Checks shall be made payable to his/her order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey. The City shall forward to the County and School Board that amount which represents those entities' portion of the PILOT payments.

3.03 Calculation of the PILOT

The Parties agree, acknowledge and stipulate that the PILOT sums payable pursuant to this Agreement are fair and reasonable.¹

The Port Authority agrees to pay to the City for the year 2011 and for each calendar year thereafter for so long as the Port Authority shall own the premises described in Exhibit "A" attached hereto and the City agrees to accept as an annual payment pursuant to the aforesaid statutes, in lieu of any and all City taxes and assessments on the premises, the sum of \$1,360,030.10² per year which includes the land area of 56.99 acres of land and improvements \$1,106,468.50 and 13.06 acres of Port Jersey Boulevard \$253,561.65 which is to be vacated by the City. This amount shall be reduced in the first year by any tax payments the Port Authority has made to the City for 2011. Attached as Exhibit B is a list of tax payments made by the Port Authority to the City for which the Port Authority shall receive a credit towards the PILOT payments for 2011.

The PILOT amount shall be determined using the 2010 property tax year throughout the term of the PILOT without any increases or augmentation of any kind.

3.04 Exemption

For each year, from the date of acquisition by the Port Authority, and thereafter for as long as the Port Authority shall own the Land, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made in accordance with this Agreement. For purposes of this PILOT, taxable amounts shall be frozen as of 2010.

3.05 Semi-annual Installments PILOT

The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year PILOT payments are due.

3.06 Reservation of Rights to Renegotiate PILOT agreement

The Port Authority reserves the right to renegotiate this PILOT agreement in the event the Legislature modifies and/or amends in any manner, including but not

¹ The calculations under this pilot are for the year 2010 and includes the Local Jersey City Tax, County of Hudson Tax, Jersey City School District Tax and School Debt Service tax.

² \$253,561.65 of the \$1,360,030.10 in the first year shall be pro-rated to the date when Port Jersey Boulevard is officially and fully vacated and title has reverted to the Port Authority.

limited to the calculation, methodology or source of funding for any service for which the Local, County and or School taxes are based which results in a diminishment in taxes otherwise conventionally chargeable from 2010 amounts. The Port Authority shall first give written notice to the City of its intention to renegotiate this PILOT Agreement. In the event of such renegotiation, the new PILOT amount shall be prorated from date of notice from the Port Authority.

IV. REMEDIES

4.01 Remedies for Non-Payment by the Entity

In the event of a Default on the part of the Port Authority to pay any installment of the PILOT Amount required by this agreement, the City's sole recourse is and shall be to seek specific performance of the terms of this agreement. No other action by the City is or shall be permitted in the event of Default on the part of the Port Authority and no tort or contract claim for any other element or quantum of damages shall be asserted against the Port Authority and the City hereby waives any such causes of action against the Port Authority, its commissioners, directors, representatives, employees and agents.

V. PROPERTY INTERESTS

5.01. Leasehold Transfers.

Notwithstanding anything to the contrary contained in this Agreement, the City acknowledges that any assignment, conveyance, mortgage or other transfer of Port Authority's interest in the subject property, Lease and any sublease or other use and/or occupancy agreement with respect to any portion of the Land and/or Improvements entered into by Port Authority shall not be deemed or construed to violate this Agreement or result in a Termination.

5.02 Subordination of Fee Title

It is expressly understood and agreed that the Port Authority has the right to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

VI. WAIVER

6.01 No Waiver

Nothing contained in this PILOT Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Port Authority of any non-tax rights and remedies provided by the law except as expressly set forth in this Agreement.

VII. NOTICE

7.01 Notice

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to the Port Authority, it shall be sent to the following address (or to such other address as Port Authority or its successor in interest under the Lease may specify from time to time):

Port Authority of New York & New Jersey
225 Park Avenue South, 14th Floor
New York, New York 10003
Attn: General Counsel

When sent to the City, it shall be addressed to:

Jersey City, City Hall,
280 Grove Street,
Jersey City, New Jersey 07302,
Attn: City Clerk

With copies sent to the Business Administrator and Corporation Counsel of the City unless prior to the giving of notice the City shall have notified the Port Authority otherwise. The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Land.

VIII. DEFAULT

8.01 Default

Default shall be the failure of the Port Authority to conform to the terms of this Agreement beyond any applicable notice, cure or grace period.

IX. TERMINATION

9.01 Conventional Taxes

Upon Termination or expiration of this Agreement, the Parties hereto may agree to enter a new PILOT Agreement to replace this Agreement.

X. MISCELLANEOUS

All of the following provisions shall continue from the date of execution and survive the term of this agreement or any termination thereof.

10.01 Conflict

The parties agree that in the event of a conflict between any other terms or conditions of any document or other agreement and this PILOT Agreement, the language in this PILOT Agreement shall govern and prevail as to the specific matters covered herein.

10.02 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this PILOT Agreement. This PILOT Agreement is entire agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

10.03 Entire Document

All conditions in the Ordinance of the City Council approving this Agreement, annexed hereto as Exhibit A are incorporated in this Agreement and made a part hereof

10.04 Good Faith

In their dealings with each other, the parties agree that they have and shall act in good faith throughout the negotiation of this agreement.

10.06 Municipal Services

The Port Authority shall make payments for any municipal services not within the scope of property taxes, including water and sewer charges if applicable and any services that create a lien on parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release Port Authority from its obligation to make such payments.

10.07 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.08 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

10.09 No Third Party Rights:

Nothing contained herein is intended, nor shall be construed, to create any rights of any kind whatsoever in third persons not parties to this Agreement.

10.10 No Individual Liability:

Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority or the City, nor any agent or employee of either of the Parties hereto shall be charged personally by any of the others with any liability nor held liable to either of the Parties hereto under any term, provision or paragraph of this Agreement or because of its execution or attempted execution or because of any breach hereof.

10.11 Captions Not Binding:

The captions in this agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof

10.12 Severability.

If any term or provision of this agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this agreement shall be valid and enforced to the fullest extent permitted by Law.

10.13 Procedural defects

If any defect in any procedural or public notice requirements or any other defect in the process required for the approval of this transaction is brought to the attention of either party, both parties agree to take any and all steps necessary to immediately correct the procedural deficiency to appropriately authorize the transaction contemplated hereby and effectuate the transaction.

10.14 Construction

The parties have participated jointly in the negotiation and drafting of this agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring and disfavoring any party by virtue of the authorship of any provision of this agreement. When the context requires the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural. The terms "hereto," "herein," or "hereunder" refer to this agreement as a whole and not to any particular Article or Section hereof unless otherwise specified, all references to specific Articles, Sections, Schedules or Exhibits are deemed references to the corresponding Articles, Sections, Schedules and Exhibits in, to and of this agreement.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the date and year first above written.

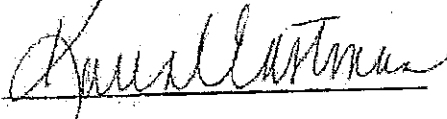
WITNESS:


ROBERT BYRNE, RMC

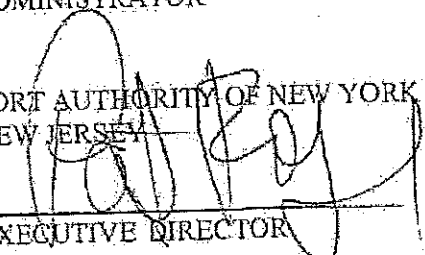
THE CITY OF JERSEY CITY




JOHN KELLY, BUSINESS
ADMINISTRATOR

WITNESS:



PORT AUTHORITY OF NEW YORK &
NEW JERSEY

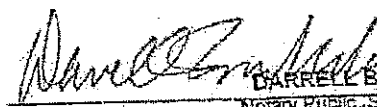

EXECUTIVE DIRECTOR

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
	

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

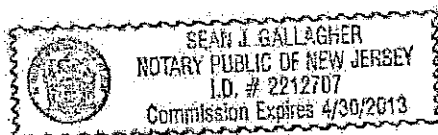
On the 15th day of MARCH, 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared PATRICK S. FAYE personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as EXECUTIVE DIRECTOR for the Port Authority of New York and New Jersey, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

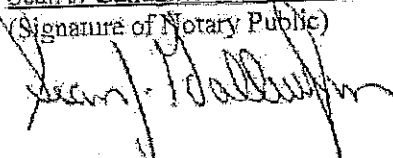

DARRELL BUCHBINDER
Notary Public, State of New York
(Signature of Notary, No. 008473475)
Qualified in Westchester County
Commission Expires on April 30, 2015

(City of Jersey City Acknowledgment)

STATE OF)
)ss.:
COUNTY OF HUDSON)

On the 28th day of MARCH, 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared Robert Byrne/John Kelly personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as a City Clerk/Business Admin of the City of Jersey City and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.



Sean J. Gallagher
(Signature of Notary Public)


Commission Expires April 30, 2017
Qualified in Westchester County
No. 60-0475475
Notary Public, State of New York
DANIEL BUCHHEIMER

Commission Expires 02/28/18
ID: A-831814
NOTARY PUBLIC OF NEW JERSEY
JENNIFER A. LARSON

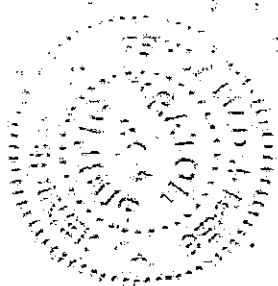


EXHIBIT A

(Ordinance No. 11-122 adopted by the Municipal Council of the City on October 12, 2011)

City Clerk File No. Ord. 11-122
Agenda No. 3.6 1st Reading
Agenda No. A.F.F 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CERTIFIED to be a true copy of
ORDINANCE adopted by the
Municipal Council of the City of
Jersey City at its meeting of **OCT 26 2011**
CITY ORDINANCE 11-122 *[Signature]*
CITY CLERK

TITLE: ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY PERTAINING TO A MARINE
TERMINAL ON THE PORT JERSEY BOULEVARD, PURSUANT TO N.J.S.A. 32:1-35-31
AND N.J.S.A. 32:1-144

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the Port Authority of New York and New Jersey is undertaking the construction of a
Marine Terminal in the Port Jersey area of the City of Jersey City, more particularly described on
a map attached hereto; and

WHEREAS, pursuant to N.J.S.A. 32:1-35-31 the Port Authority of New York and New Jersey may
not use or acquire any municipally owned real property interest, including property already devoted
to a public use, for Marine Terminal purposes without the consent of the municipality; and

WHEREAS, the Port Authority of New York and New Jersey has acquired certain real property in
Jersey City, more particularly described as Block 1514.C, Lots 301 and 302; and Block 1514.D, Lots
401 and 402, Block 1514.C, Lot 302 DUP, which property was traversed by a dedicated public right
of way or street, known as a portion of Port Jersey Boulevard and more particularly described in a
street vacation ordinance adopted on even date; and

WHEREAS, the Port Authority of New York and New Jersey has determined that the property,
including a portion of Port Jersey Boulevard, is necessary, convenient or desirable for Marine
terminal purposes; and

WHEREAS, pursuant to N.J.S.A. 32:1-35-31 in order to obtain the City's consent for the acquisition
of this property, a portion of Port Jersey Boulevard, through the adoption of a street vacation the Port
Authority of New York and New Jersey has agreed to pay the City an annual fee; and

WHEREAS, pursuant to N.J.S.A. 32:1-144, to insure that the City does not suffer undue loss of
taxes or assessments, due to the acquisition of non City owned Marine Terminal property, the Port
Authority of New York and New Jersey has agreed to pay the City a fair and reasonable annual
payment; and

WHEREAS, the City of Jersey City is willing to enter into an agreement whereby, the Port
Authority of New York and New Jersey will pay the City total sum of \$1,360,030.

NOW, THEREFORE, BE IT ORDAINED, by the Municipal Council of the City of Jersey City
that:

1. the Mayor or Business Administrator is authorized to execute an agreement whereby the Port
Authority of New York and New Jersey will pay the City the annual sum of \$1,360,030 in
consideration of the City's consent to the acquisition of a portion of Port Jersey Boulevard
and an amount attributable to the loss of taxes and assessments arising from the acquisition

ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY PERTAINING TO A MARINE TERMINAL ON
THE PORT JERSEY BOULEVARD, PURSUANT TO ~~N.J.S.A. 32:1-35.34~~ AND N.J.S.A. 32:1-144

of the above described non municipal property for use as a Marine Terminal, all in
accordance with ~~N.J.S.A. 32:1-35.34~~ and N.J.S.A. 32:1-144 and any other documents
appropriate or necessary to effectuate the purposes of the within ordinance.

2. The agreement shall be in substantially the form attached, subject to such minor modification
as the Business Administrator or Corporation Counsel deems appropriate or necessary.

A. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

B. This Ordinance shall be a part of the Jersey City Code as though codified and fully set forth
therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of
the Jersey City Code.

C. This Ordinance shall take effect at the time and in the manner as provided by law
but in no event prior to the adoption of the Ordinance approving the Morris Canal Redevelopment
Plan.

D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed
to change any chapter numbers, article numbers and section numbers in the event that the
codification of this Ordinance reveals that there is a conflict between those numbers and the existing
code, in order to avoid confusion and possible accidental repeals of existing provisions.

NOTE: All material is new; therefore, underlining has been omitted.
For purposes of advertising only, new matter is indicated by bold face
and repealed matter by *italic*.

JM/hs
9/21/11

APPROVED AS TO LEGAL FORM

APPROVED: _____

APPROVED: _____

Business Administrator

Certification Required ☐
Not Required ☐

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. 074 11-127
3.G. SEP 27 2011 4.9 OCT 12 2011
 TITLE:



Ordinance authorizing the execution of an agreement with the Port Authority of New York and New Jersey pertaining to a marine terminal on the Port Jersey Boulevard, pursuant to N.J.S.A. 32-1-35.31 and N.J.S.A. 32-1-144.

RECORD OF COUNCIL VOTE ON INTRODUCTION SEP 27 2011 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING OCT 12 2011 9-0											
Councilperson <u>SOTTOLANO</u>				moved, seconded by Councilperson <u>BRENNAN</u>				to close PH.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote YVONNE BACER ESTHER WINTNER N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY OCT 12 2011											
Councilperson <u>FULOP</u>				moved to amend Ordinance, seconded by Councilperson <u>SOTTOLANO</u>				& adopted 9-0			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE OCT 12 2011 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on SEP 27 2011
 Adopted on second and final reading after hearing on OCT 12 2011

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on OCT 12 2011

Robert Byrne
 Robert Byrne, City Clerk

Amendment(s):
 PAGE 1
 3rd Whereas
 add Block 1514, Lot 302DUP
 (in italics)
 REMOVE 2nd and 5th WHEREAS
 REMOVE N.J.S.A 32-1-35.31 and
 from Now, THEREFORE, BE IT ORDAINED
 SECTION 1. and title.

APPROVED:
Peter M. Brennan
 Peter M. Brennan, Council President

Date: OCT 12 2011
 APPROVED:

Jeremiah T. Healy
 Jeremiah T. Healy, Mayor

Date: OCT 17 2011

Date to Mayor OCT 13 2011

EXHIBIT B

Amounts paid by or on behalf of the Port Authority of New York & New Jersey - \$394,613.18

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

EXHIBIT 6

**(2018 PORT AUTHORITY PILOT AGREEMENT)
(TWO MONTGOMERY STREET, BLOCK 11605 LOT 2)**

**AGREEMENT FOR THE VOLUNTARY
PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
AND THE CITY OF JERSEY CITY**

THIS AGREEMENT ("Agreement") is made as of October __, 2018, between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress of the United States (hereinafter referred to as the "Port Authority"), and **THE CITY OF JERSEY CITY** (hereinafter the "City"), a municipality of the State of New Jersey, County of Hudson. Collectively, throughout this Agreement, Port Authority and the City shall be referred to as the "Parties."

WITNESSETH

NOW THEREFORE, the Parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

I. GENERAL

1.01 Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey and shall be governed by the provisions of *N.J.S.A. 32:1-35.60*, *N.J.S.A. 32:1-144*, and other applicable law, and (b) Resolution No. _____ pursuant to which the Municipal Council of the City of Jersey City approved the Payments in Lieu of Taxes, and authorized the execution of this Agreement.

1.02 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

- a. Payments in Lieu of Taxes or PILOT - The amount Port Authority, in its sole discretion, has agreed to pay the City hereof which sum is in lieu of any taxes on the Improvements and the Land, including but not limited to any special assessments, added and/or omitted assessments or property taxes of whatsoever kind, which amount, if applicable, shall be pro-rated in the year in which the Payments in Lieu of Taxes terminate.
- b. Payments in Lieu of Taxes Commencement Date - The Payments in Lieu of Taxes Commencement Date shall be _____, 2018.

- c. Default - Shall be a breach of or the failure of Port Authority to perform any obligation imposed by this Agreement beyond any applicable grace or cure periods after the provision of written notice of such failure as required herein.
- d. Improvements - Any building, structure, improvements, or fixture permanently affixed to the Land for which property taxes are routinely assessed.
- e. Land - The subject property is more particularly described as Block 11605, Lot 2, also known as Two Montgomery Street, which functions as the Port Authority's New Jersey headquarters, located in the City of Jersey City.
- f. Law - Law shall refer to *N.J.S.A. 32:1-35.60*, *N.J.S.A. 32:1-144*, and Resolution No. _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.
- g. Project - The Land and Improvements and any future Improvements thereon, which are the subject of this Agreement.
- h. Resolution - Resolution No. _____, adopted by the Municipal Council of the City on _____, 2018, attached hereto as *Exhibit A*, authorizing and accepting this Agreement pursuant to the authority set forth in *N.J.S.A. 32:1-35.60*, *N.J.S.A. 32:1-144*.
- i. Termination - Any action or omission which by operation of the terms of this Agreement shall cause this Agreement to be terminated.

1.03 Exhibits Incorporated

All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

II. AUTHORITY FOR AND DURATION OF AGREEMENT

2.01 Authority and Term

The Parties understand and agree that pursuant to *N.J.S.A. 32:1-35.60*, *N.J.S.A. 32:1-144* and other applicable law, the Port Authority's Land is not subject to taxation, and that the Port Authority is not required to enter into a PILOT agreement and if the Port Authority, at its sole discretion, voluntarily agrees to enter a PILOT agreement, such

payment shall not exceed the amount last paid as taxes on the Land prior to the Port Authority's acquisition of the Land.

The Parties understand and agree that the Port Authority has exercised its discretion to enter into this Agreement to pay Payments in Lieu of Taxes. The PILOT payment agreed to herein shall not exceed the amount last paid as taxes on the Land prior to the Port Authority's acquisition of the Land and shall remain in effect during the period of usefulness of the Project and unless modified in accordance with section 3.06 below, shall continue in force only while fee title to the Project is owned by the Port Authority or any other agent, corporation, association or other entity formed by or contracting with the Port Authority.

2.02 Implementation of Exemption & Filing with NJ DLGS

The City Clerk shall deliver to the City Tax Assessor a certified copy of the Resolution adopted by the Municipal Council authorizing this Agreement and implementing the PILOT described herein, however, the Parties acknowledge and agree that the basis of the tax exemption is statutory and not dependent upon the adoption of the Resolution. The City Tax Assessor shall implement the exemption and continue to enforce the exemption without further documentation until the expiration of the entitlement to exemption by the terms of this Agreement.

Further, upon entering this Agreement, a certified copy of the Resolution adopted by the Municipal Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the New Jersey Director of the Division of Local Government Services by the City Clerk.

III. PAYMENTS IN LIEU OF TAXES (PILOT)

3.01 Commencement of PILOT

The Port Authority shall make payment of the PILOT commencing on the PILOT Commencement Date. In the event that the Port Authority fails to timely pay any installment due, the amount past due shall bear interest until paid as permitted under applicable New Jersey law then being exercised by the City against delinquent real estate taxpayers with respect to unpaid real estate taxes and tax liens.

3.02 Payment of PILOT

The Port Authority shall pay to the City the PILOT (as calculated in Section 3.03 of this Article), within ten (10) days of their due dates.

The PILOT for 2018 shall be paid on _____, 2018. The PILOT for 2019 and for each subsequent year that PILOT payments are due shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1. The PILOT shall be prorated in the year in which it terminates.

Payment shall be made to the Treasurer of the City of Jersey City. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey.

3.03 Calculation of the PILOT

The Parties agree, acknowledge and stipulate that the PILOT sums payable pursuant to this Agreement are fair and reasonable pursuant to *N.J.S.A. 32:1-35.60*, *N.J.S.A. 32:1-144* and other applicable law and are not subject to any future escalation.¹

The Port Authority agrees to pay to the City for the year 2018 and for each calendar year thereafter for so long as the Port Authority shall own the Land, and the City agrees to accept as an annual payment pursuant to the aforesaid statutes, in lieu of any and all City taxes and assessments on the premises, the sum of \$1,049,477.00 per year, which includes the Land, Improvements and any future Improvements on the Land within the City.

Unless modified in accordance with section 3.06 below, the PILOT amount as set forth and agreed to above, shall be paid throughout the term of this Agreement without any increases or augmentation of any kind.

3.04 Exemption

For each year from the date of acquisition by the Port Authority, and thereafter for as long as the Port Authority shall own the Land, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and any improvements thereon and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made in accordance with this Agreement. For purposes of this PILOT, taxable amounts shall be frozen as of 2010.

¹ The calculations under this PILOT are based on the last paid taxes in the year 2010, including the local Jersey City Tax, County of Hudson Tax and Jersey City School District Tax.

3.05 Semi-Annual Installments PILOT

The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year that PILOT payments are due.

3.06 Indemnity

It is understood and agreed that the sum to be paid to the City by the Port Authority in lieu of taxes as provided for herein represents the total amount to be paid by the Port Authority to any taxing authority for taxes, in lieu of taxes or assessments with respect to the Land and said payment will be held by the City for its benefit. The City hereby agrees to indemnify and hold harmless the Port Authority against any claims for taxes, payments in lieu of taxes or assessments which may be made against the Port Authority or the Land while owned by the Port Authority in any action or proceeding brought by any person or taxing authority attempting to impose or collect taxes, payments in lieu of taxes or assessments other than as provided in this Agreement.

3.07 Modification and/or Amendment of Applicable Law

In the event that applicable law is modified and/or amended in any manner, including but not limited to the calculation, methodology or source of funding for any service for which the local, county and or school taxes are based, the Port Authority and the City agree that the terms of this Agreement shall remain unchanged and enforceable by the Port Authority and the City.

IV. REMEDIES

4.01 Remedies for Non-Payment by the Entity

In the event of a Default on the part of the Port Authority to pay any installment of the PILOT amount required by this Agreement, the City's sole recourse is and shall be to seek specific performance of the terms of this Agreement and to obtain damages associated with PATH's failure to pay. No other action by the City is or shall be permitted in the event of a Default on the part of the Port Authority and no tort or contract claim for any other element or quantum of damages shall be asserted against the Port Authority, and the City hereby waives any such causes of action against the Port Authority, its commissioners, directors, representatives, employees and agents.

V. PROPERTY INTERESTS

5.01. Leasehold Transfers

Notwithstanding anything to the contrary contained in this Agreement, so long as the Land is used or is intended to be used for a public purpose consistent with the Port Authority's enabling statutes, or in accordance with another tax-exempt statutory purpose under New Jersey law, the City acknowledges that any assignment, conveyance, mortgage or other transfer of the Port Authority's interest in the Land, including a lease and/or any sublease or other use and/or occupancy agreement with respect to any portion of the Land and/or Improvements entered into by the Port Authority shall not be deemed or construed to violate this Agreement or result in a Termination.

5.02 Subordination of Fee Title

It is expressly understood and agreed that the Port Authority has the right to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

VI. WAIVER

6.01 No Waiver

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Port Authority of any non-tax rights and remedies provided by law except as expressly set forth in this Agreement.

VII. NOTICE

7.01 Notice

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to the Port Authority, it shall be sent to the following address (or to such other address as the Port Authority, or its successor in interest under a lease may specify from time to time):

The Port Authority of New York and New Jersey
4 World Trade Center, 23rd Floor
150 Greenwich Street
New York, New York 10007
Attention: Executive Director

When sent to the City, it shall be addressed to:

City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302
Attention: City Clerk

With copies sent to the Business Administrator and Corporation Counsel of the City unless prior to the giving of notice the City shall have notified the Port Authority otherwise. The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Land.

VIII. DEFAULT

8.01 Default

Default shall be the failure of the Port Authority to conform to the terms of this Agreement beyond any applicable notice, cure or grace period.

IX. TERMINATION

9.01 Conventional Taxes

Upon Termination or expiration of this Agreement, the Parties hereto may agree to enter into a new PILOT agreement to replace this Agreement. In such case, the Parties understand and agree that the Port Authority is not required to enter into a PILOT agreement and if the Port Authority, at its sole discretion, voluntarily agrees to enter a PILOT agreement in the future, PILOT payments thereunder shall not exceed the amount last paid as taxes on the Land prior to the Port Authority's acquisition of the Land.

X. MISCELLANEOUS

All of the following provisions shall continue from the date of execution and survive the term of this Agreement or any Termination thereof.

10.01 Conflict

The Parties agree that in the event of a conflict between any other terms or conditions of any document or other agreement and this Agreement, the language in this Agreement shall govern and prevail as to the specific matters covered herein.

10.02 Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement is the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

10.03 Entire Document

All conditions in the Resolution of the City Council approving this Agreement, annexed hereto as *Exhibit A* are incorporated in this Agreement and made a part hereof

10.04 Good Faith

In their dealings with each other, the Parties agree that they have and shall act in good faith throughout the negotiation of this Agreement.

10.06 Municipal Services

The Port Authority shall make payments for any municipal services not within the scope of property taxes, including water and sewer charges if applicable, and any services that create a lien on parity with or superior to the lien for the PILOT, as required by law. Nothing herein is intended to release the Port Authority from its obligation to make such payments.

10.07 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.08 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

10.09 No Third Party Rights

Nothing contained herein is intended, nor shall be construed, to create any rights of any kind whatsoever in third persons not parties to this Agreement.

10.10 No Individual Liability

Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority or the City, nor any agent or employee of either of the Parties hereto shall be charged personally by any of the others with any liability, nor held liable to either of the Parties hereto under any term, provision or paragraph of this Agreement or because of its execution or attempted execution or because of any breach hereof.

10.11 Captions Not Binding

The captions in this Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof.

10.12 Severability

If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

10.13 Procedural defects

If any defect in any procedural or public notice requirements or any other defect in the process required for the approval of this transaction is brought to the attention of either party, both Parties agree to take any and all steps necessary to immediately correct the procedural deficiency to appropriately authorize the transaction contemplated hereby and effectuate the transaction.

10.14 Construction

The parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of

proof shall arise favoring and/or disfavoring any party by virtue of the authorship of any provision of this Agreement. When the context requires the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural. The terms "hereto," "herein," or "hereunder" refer to this agreement as a whole and not to any particular Article or Section hereof unless otherwise specified, all references to specific Articles, Sections, Schedules or Exhibits are deemed references to the corresponding Articles, Sections, Schedules and Exhibits in, to and of this Agreement.

[signatures on following page]

[this space intentionally left blank]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the date and year first above written.

WITNESS:

THE CITY OF JERSEY CITY

By: _____
Name:
Title

WITNESS:
YORK

THE PORT AUTHORITY OF NEW
AND NEW JERSEY

By: _____
Name:
Title

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as _____ for The Port Authority of New York and New Jersey, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

(City of Jersey City Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as a _____ of the City of Jersey City and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

**AGREEMENT FOR THE VOLUNTARY
PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
AND THE CITY OF JERSEY CITY**

EXHIBIT A

Resolution No. _____

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

EXHIBIT 7

(2018 PATH PILOT AGREEMENT)

(100 ACADEMY STREET, BLOCK 10901 LOT 83)

(90 COLUMBUS DRIVE BLOCK 13003, LOT 2.)

**AGREEMENT FOR THE VOLUNTARY
PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN
THE PORT AUTHORITY TRANS-HUDSON CORPORATION
AND THE CITY OF JERSEY CITY**

THIS AGREEMENT ("Agreement") is made as of October __, 2018, between **THE PORT AUTHORITY TRANS HUDSON CORPORATION** (hereinafter "PATH"), a wholly-owned subsidiary of The Port Authority of New York and New Jersey, and **THE CITY OF JERSEY CITY** (hereinafter the "City"), a municipality of the State of New Jersey, County of Hudson. Collectively, throughout this Agreement, PATH and the City shall be referred to as the "Parties."

WITNESSETH

NOW THEREFORE, the Parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

I. GENERAL

1.01 Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey and shall be governed by the provisions of *N.J.S.A. 32:1-35.60*, and (b) Resolution No. _____ pursuant to which the Municipal Council of the City of Jersey City approved the Payments in Lieu of Taxes, and authorized the execution of this Agreement.

1.02 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

- a. Payments in Lieu of Taxes or PILOT - The amount PATH, in its sole discretion, has agreed to pay the City hereof which sum is in lieu of any taxes on the Improvements and the Land, including but not limited to any special assessments, added and/or omitted assessments or property taxes of whatsoever kind, which amount, if applicable, shall be pro-rated in the year in which the Payments in Lieu of Taxes terminate.
- b. Payments in Lieu of Taxes Commencement Date - The Payments in Lieu of Taxes Commencement Date shall be ____, 2018.
- c. Default - Shall be a breach of or the failure of PATH to perform any obligation imposed by this Agreement beyond any applicable grace

or cure periods after the provision of written notice of such failure as required herein.

- d. Improvements - Any building, structure, improvements, or fixture permanently affixed to the Land for which property taxes are routinely assessed.
- e. Land - The subject properties are more particularly described as Block 10901, Lot 83, also known as 100 Academy Street (hereinafter the "100 Academy Street Property") and Block 13003, Lot 2, also known as 90 Columbus Drive, (hereinafter the "90 Columbus Drive Property"), both located in the City of Jersey City.
- f. Law - Law shall refer to *N.J.S.A. 32:1-35.60*, and Resolution No. _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.
- g. Project - The Land and Improvements and any future Improvements thereon, which are the subject of this Agreement.
- h. Resolution - Resolution No. _____, adopted by the Municipal Council of the City on _____, 2018, attached hereto as *Exhibit A*, authorizing and accepting this Agreement pursuant to the authority set forth in *N.J.S.A. 32:1-35.60*.
- i. Termination - Any action or omission which by operation of the terms of this Agreement shall cause this Agreement to be terminated.

1.03 Exhibits Incorporated

All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

II. AUTHORITY FOR AND DURATION OF AGREEMENT

2.01 Authority and Term

The Parties understand and agree that pursuant to *N.J.S.A. 32:1-35.60*, PATH's Land is not subject to taxation, and that PATH is not required to enter into a PILOT agreement and if PATH, at its sole discretion, voluntarily agrees to enter a PILOT agreement, such payment shall not exceed the amount last paid as taxes on the Land prior to PATH's acquisition of the Land.

The Parties understand and agree that PATH has exercised its discretion to enter into this Agreement to pay Payments in Lieu of Taxes. The

PILOT payment agreed to herein shall not exceed the amount last paid as taxes on the Land prior to PATH's acquisition of the Land and shall remain in effect during the period of usefulness of the Project and unless modified in accordance with section 3.06 below, shall continue in force only while fee title to the Project is owned by PATH or any other agent, corporation, association or other entity formed by or contracting with PATH.

2.02 Implementation of Exemption & Filing with NJ DLGS

The City Clerk shall deliver to the City Tax Assessor a certified copy of the Resolution adopted by the Municipal Council authorizing this Agreement and implementing the PILOT described herein, however, the Parties acknowledge and agree that the basis of the tax exemption is statutory and not dependent upon the adoption of the Resolution. The City Tax Assessor shall implement the exemption and continue to enforce the exemption without further documentation until the expiration of the entitlement to exemption by the terms of this Agreement.

Further, upon entering this Agreement, a certified copy of the Resolution adopted by the Municipal Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the New Jersey Director of the Division of Local Government Services by the City Clerk.

III. PAYMENTS IN LIEU OF TAXES (PILOT)

3.01 Commencement of PILOT

PATH shall make payment of the PILOT commencing on the PILOT Commencement Date. In the event that PATH fails to timely pay any installment due, the amount past due shall bear interest until paid as permitted under applicable New Jersey law then being exercised by the City against delinquent real estate taxpayers with respect to unpaid real estate taxes and tax liens.

3.02 Payment of PILOT

PATH shall pay to the City the PILOT (as calculated in Section 3.03 of this Article), within ten (10) days of their due dates. The PILOT for 2018 shall be paid on _____, 2018. The PILOT for 2019 and for each subsequent year that PILOT payments are due shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1. The PILOT shall be prorated in the year in which it terminates.

Payment shall be made to the Treasurer of the City of Jersey City. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey.

3.03 Calculation of the PILOT

The Parties agree, acknowledge and stipulate that the PILOT sums payable pursuant to this Agreement are fair and reasonable pursuant to *N.J.S.A. 32:1-35.60* and are not subject to any future escalation.¹

PATH agrees to pay to the City for the year 2018 and for each calendar year thereafter for so long as PATH shall own the Land, and the City agrees to accept as an annual payment pursuant to the aforesaid statutes, in lieu of any and all City taxes and assessments on the premises, the sum of \$153,225.00 per year for the 100 Academy Street Property and the sum of \$12,001.00 per year for the 90 Columbus Drive Property, which includes the Land, Improvements and any future Improvements on the Land within the City.

The Parties agree, acknowledge and stipulate that (a) if PATH no longer owns the 100 Academy Street Property, the PILOT sums payable pursuant to this Agreement shall be reduced in the amount of \$153,225.00 and (b) if PATH no longer owns the 90 Columbus Drive Property, the PILOT sums payable pursuant to this Agreement shall be reduced in the amount of \$12,001.00. The PILOT shall be prorated to account for dispossession of the property in the year that PATH transfers ownership.

Unless modified in accordance with section 3.06 below, the PILOT amount as set forth and agreed to above, shall be paid throughout the term of this Agreement without any increases or augmentation of any kind.

3.04 Exemption

For each year from the date of acquisition by PATH, and thereafter for as long as PATH shall own the 100 Academy Street Property and the 90 Columbus Drive Property, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and any improvements thereon and for each such year the City will mark each property exempt on its tax records with a notation that such entry is made in accordance with this Agreement. For purposes of this PILOT, taxable amounts

¹ The calculations under this PILOT are based on the last paid taxes in the year 1987 for the 100 Academy Street Property and are based on the last paid taxes in the year 2005 for the 90 Columbus Drive Property. Calculations for both properties include the local Jersey City Tax, County of Hudson Tax and Jersey City School District Tax.

shall be frozen for the 100 Academy Street Property as of 1987 and taxable amounts shall be frozen for the 90 Columbus Drive Property as of 2005.

3.05 Semi-Annual Installments PILOT

The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year that PILOT payments are due.

3.06 Indemnity

It is understood and agreed that the sum to be paid to the City by PATH in lieu of taxes as provided for herein represents the total amount to be paid by PATH to any taxing authority for taxes, in lieu of taxes or assessments with respect to the Land and said payment will be held by the City for its benefit. The City hereby agrees to indemnify and hold harmless PATH against any claims for taxes, payments in lieu of taxes or assessments which may be made against PATH or the Land while owned by PATH in any action or proceeding brought by any person or taxing authority attempting to impose or collect taxes, payments in lieu of taxes or assessments other than as provided in this Agreement.

3.07 Modification and/or Amendment of Applicable Law

In the event that applicable law is modified and/or amended in any manner, including but not limited to the calculation, methodology or source of funding for any service for which the local, county and or school taxes are based, PATH and the City agree that the terms of this Agreement shall remain unchanged and enforceable by PATH and the City.

IV. REMEDIES

4.01 Remedies for Non-Payment by the Entity

In the event of a Default on the part of PATH to pay any installment of the PILOT amount required by this Agreement, the City's sole recourse is and shall be to seek specific performance of the terms of this Agreement and to obtain damages associated with PATH's failure to pay. No other action by the City is or shall be permitted in the event of a Default on the part of PATH and no tort or contract claim for any other element or quantum of damages shall be asserted against PATH, and the City hereby waives any such causes of action against PATH, its commissioners, directors, representatives, employees and agents.

V. PROPERTY INTERESTS

5.01. Leasehold Transfers

Notwithstanding anything to the contrary contained in this Agreement, so long as the Land is used or is intended to be used for a public purpose consistent with the Port Authority's enabling statutes, or in accordance with another tax-exempt statutory purpose under New Jersey law, the City acknowledges that any assignment, conveyance, mortgage or other transfer of PATH's interest in the Land, including a lease and/or any sublease or other use and/or occupancy agreement with respect to any portion of the Land and/or Improvements entered into by PATH shall not be deemed or construed to violate this Agreement or result in a Termination.

5.02 Subordination of Fee Title

It is expressly understood and agreed that PATH has the right to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

VI. WAIVER

6.01 No Waiver

Nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the City or PATH of any non-tax rights and remedies provided by law except as expressly set forth in this Agreement.

VII. NOTICE

7.01 Notice

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to PATH, it shall be sent to the following address (or to such other address as PATH, or its successor in interest under a lease may specify from time to time):

Port Authority Trans-Hudson Corporation
1 Path Plaza
Jersey City, New Jersey 07306
Attention: Director of Rail Transit (PATH)

And

The Port Authority of New York and New Jersey
4 World Trade Center
150 Greenwich Street
New York, New York 10007
Attention: Executive Director

When sent to the City, it shall be addressed to:

City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302
Attention: City Clerk

With copies sent to the Business Administrator and Corporation Counsel of the City unless prior to the giving of notice the City shall have notified PATH otherwise. The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Land.

VIII. DEFAULT

8.01 Default

Default shall be the failure of PATH to conform to the terms of this Agreement beyond any applicable notice, cure or grace period.

IX. TERMINATION

9.01 Conventional Taxes

Upon Termination or expiration of this Agreement, the Parties hereto may agree to enter into a new PILOT agreement to replace this Agreement. In such case, the Parties understand and agree that PATH is not required to enter into a PILOT agreement and if PATH, in its sole discretion, voluntarily agrees to enter a PILOT agreement in the future, PILOT payments thereunder shall not exceed the amount last paid as taxes on the Land prior to PATH's acquisition of the Land.

X. MISCELLANEOUS

All of the following provisions shall continue from the date of execution and survive the term of this Agreement or any Termination thereof.

10.01 Conflict

The Parties agree that in the event of a conflict between any other terms or conditions of any document or other agreement and this Agreement, the language in this Agreement shall govern and prevail as to the specific matters covered herein.

10.02 Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement is the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties hereto and delivered to each of them.

10.03 Entire Document

All conditions in the Resolution of the City Council approving this Agreement, annexed hereto as *Exhibit A* are incorporated in this Agreement and made a part hereof

10.04 Good Faith

In their dealings with each other, the Parties agree that they have and shall act in good faith throughout the negotiation of this Agreement.

10.06 Municipal Services

PATH shall make payments for any municipal services not within the scope of property taxes, including water and sewer charges if applicable, and any services that create a lien on parity with or superior to the lien for the PILOT, as required by law. Nothing herein is intended to release PATH from its obligation to make such payments.

10.07 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.08 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

10.09 No Third Party Rights

Nothing contained herein is intended, nor shall be construed, to create any rights of any kind whatsoever in third persons not parties to this Agreement.

10.10 No Individual Liability

Neither the Directors of PATH nor any individual officer or official of PATH, the Commissioners nor any individual officer or official of The Port Authority of New York and New Jersey, or the City, nor any agent or employee of PATH, the Port Authority, or the City shall be charged personally by any of the others with any liability, nor held liable under any term, provision or paragraph of this Agreement or because of its execution or attempted execution or because of any breach hereof.

10.11 Captions Not Binding

The captions in this Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof.

10.12 Severability

If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

10.13 Procedural defects

If any defect in any procedural or public notice requirements or any other defect in the process required for the approval of this transaction is brought to the attention of either party, both Parties agree to take any and all steps necessary to immediately correct the procedural deficiency to appropriately authorize the transaction contemplated hereby and effectuate the transaction.

10.14 Construction

The parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring and/or disfavoring any party by virtue of the

authorship of any provision of this Agreement. When the context requires the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural. The terms "hereto," "herein," or "hereunder" refer to this agreement as a whole and not to any particular Article or Section hereof unless otherwise specified, all references to specific Articles, Sections, Schedules or Exhibits are deemed references to the corresponding Articles, Sections, Schedules and Exhibits in, to and of this Agreement.

[signatures on following page]

[this space intentionally left blank]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the date and year first above written.

WITNESS:

THE CITY OF JERSEY CITY

By: _____
Name:
Title

WITNESS:

PORT AUTHORITY TRANS-HUDSON
CORPORATION

By: _____
Name:
Title

(PATH Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as _____ for the Port Authority Trans-Hudson Corporation, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

(City of Jersey City Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF HUDSON)

On the ____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as a _____ of the City of Jersey City and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

**AGREEMENT FOR THE VOLUNTARY
PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN
THE PORT AUTHORITY TRANS-HUDSON CORPORATION
AND THE CITY OF JERSEY CITY**

EXHIBIT A

Resolution No. _____

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS
IN THE MATTER OF THE CITY OF JERSEY CITY V. THE
PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE PORT AUTHORITY TRANS-HUDSON CORPORATION**

EXHIBIT 8

(Stipulation of Dismissal with Prejudice and Without Costs)

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

CITY OF JERSEY CITY,

Plaintiff,

v.

THE PORT AUTHORITY OF NEW
YORK AND NEW JERSEY and THE
PORT AUTHORITY TRANS-HUDSON
CORPORATION,

Defendants.

Honorable John M. Vazquez, U.S.D.J.

Civil Action No.: 2-14-cv-03286 (JMV)

**STIPULATION OF DISMISSAL
WITH PREJUDICE AND
WITHOUT COSTS**

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned attorneys of record, pursuant to F.R.C.P. 41(a)(1)(A)(ii), that the above-entitled action is hereby dismissed against all parties, with prejudice, and without costs to any party.

Dated: _____, 2018

LITE DEPALMA GREENBERG, L.L.C. DUGHI, HEWIT & DOMALEWSKI, P.C.

By: _____

Victor A. Afanador, Esq.
570 Broad Street, Suite 1201
Newark, New Jersey 07102
(973) 877-3816
VAfanador@litedepalma.com
Attorneys for Plaintiff
The City of Jersey City

By: _____

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340 North Avenue
Cranford, New Jersey 07016
(908) 272-0200
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*Attorneys for Defendants
The Port Authority of New York
and New Jersey and The Port
Authority Trans-Hudson Corporation*

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

CITY OF JERSEY CITY,

Plaintiff,

v.

THE PORT AUTHORITY OF NEW
YORK AND NEW JERSEY and THE
PORT AUTHORITY TRANS-HUDSON
CORPORATION,

Defendants.

Honorable John M. Vazquez, U.S.D.J.

Civil Action No.: 2-14-cv-03286 (JMV)

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Dated: _____, 2018

LITE DEPALMA GREENBERG, L.L.C. DUGHI, HEWIT & DOMALEWSKI, P.C.

By: _____

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The City of Jersey City

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and New Jersey and The Port
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